The Nation

FOUNDED 1865

Vol. CXXXVII NEW YORK, WEDNESDAY, AUGUST 9, 1933 No. 3553

Contents

EDITORIAL PARAGRAPHS 141
EDITORIALS:
Labor Gets the Leavings 144
Our Lawless Judges 145
How the Movies Educate 145
Still Starving 146
ISSUES AND MEN. SHALL THE REAL LIBERALS COALESCE? By Oswald Garrison Villard 147
THE HOME-LOAN ACT—A FRAUD? By Henry Goldey . . . 148
THE ARCHITECT AND THE DEPRESSION. By Talbot Faulkner Hamlin 152
RUSSIA'S LAST HARD YEAR. By Louis Fischer 154
THE RANDOM SATIRE OF GEORGE S. KAUFMAN. By Joseph Wood Krutch 156
REFUGEES FROM OPPRESSION. By Rosika Schwimmer . . . 158
IN THE DRIFTWAY. By the Drifter 159
FINANCE: TAKING THE ROCK ISLAND INVESTORS FOR A RIDE. By Peter Helmoop Noyes 160
CONTRIBUTORS TO THIS ISSUE 161
BOOKS:
Prelude. By Conrad Aiken 162
On American Literature. By Joseph Wood Krutch 162
War-Mad World. By Oswald Garrison Villard 162
Brother to Dr. Munthe. By Horace Gregory 163
Joseph Chamberlain. By S. K. Ratcliffe 163
Love Life of a Revolutionist. By Isidor Schneider 164
Mr. O'Flaherty's Development. By William Troy 165
America's Forced Labor. By Abram L. Harris 165
The Philosophy of Henry George. By Broadus Mitchell . . . 166
Shorter Notices 167

BOARD OF EDITORS

ERNEST GRUENING FREDA KIRCHWEY
HENRY HAZLITT JOSEPH WOOD KRUTCH

ASSOCIATE EDITORS

MARGARET MARSHALL MAURITZ A. HALLGREN

OSWALD GARRISON VILLARD
CONTRIBUTING EDITOR

SUBSCRIPTION RATES: Five dollars per annum postpaid in the United States; to Canada, $5.50; and to other foreign countries, $6.00.

THE NATION, No. 20 Vesey Street, New York City. Cable Address: NATION, New York. Muriel C. Gray, Advertising Manager. British Agent, Gertrude M. Cross, 23 Brunswick Square, London W. C. 1, England.

BUTTRESSED by a wealth of facts supplied by her department and by her own observations in the mills, Frances Perkins, Secretary of Labor, challenged the steel code at its first hearing. She attacked the forty-hour and the seven-day week; she asked for a higher wage scale with two instead of twenty-one wage zones; she asked for the calculation of wages on a weekly basis, and for wages for Negroes high enough to enable them to raise their standard of living; she demanded the abolition of labor spies; she urged the building up of employment reserves out of income and a complete abolition of child labor in place of the unenforceable promise not "knowingly" to employ children; she asked for the inclusion in the code of white-collar workers. She said nothing about unions, presumably because just prior to her address the Board of Directors of the Steel Institute had on General Johnson's advice withdrawn the company-union provisions in the original code. Having made these specific and penetrating criticisms, she summed up their objective as "a new and lasting prosperity," based on friendly relations between government, management, and labor, achieved through "even production, steady wages, and steady purchasing power." The spectacle of the first woman Cabinet member quietly launching this verbal thunderbolt at the very citadel of our industrial empire leads one to hope that Donald Richberg may be right in his assertion that a "revolution . . . not of violence . . . but of the pen and voice" has begun.

A STRUGGLE for control of the Treasury is going on behind the scenes in Washington. Ordinarily the Secretary of the Treasury is a thoroughgoing conservative who can be depended upon to defend the soundness of the currency at all costs. When Mr. Roosevelt selected William H. Woodin for the post, it was universally considered that the Administration would keep the dollar sound and stable. But when the country went off gold and the President began playing with the idea of a compensated or commodity dollar, Secretary Woodin was compelled to retire. Of course, he has not yet formally resigned, and Treasury operations are still undertaken in his name; but actually he no longer has anything to do with the shaping of Treasury policy and, indeed, he has been ill and absent from Washington for almost two months. At the moment, the White House and the "soft-money" experts brought in to advise the Administration on currency matters are guiding Treasury policy. But their control is being vigorously opposed by the few "hard-money" men in the Administration, who are led by Lewis H. Douglas, Director of the Budget, and are said to have the united support of the financial community in New York. The immediate goal is the secretaryship. If this goes to a conservative, it is certain that the dollar will soon be stabilized and restored to a gold basis. If the post goes to an inconsequential politician, as seems more likely, we shall doubtless be in for an extended period of currency experimentation.

BUSINESS REPORTS for July have proved more disturbing to the Administration than any published since it came into office. It is not because business activity has been falling off, but rather because factory output has mounted so rapidly. Preliminary estimates for July show factory production at 92 per cent of normal, the accepted normal being the average output for the years 1923-25. At the same time factory employment has gone up only to 67 per cent of normal and pay rolls no further than to 49 per cent. When we look at the unemployment figures, the contrast is even more striking. In April, according to the index of the American Federation of Labor, there were thirteen million unemployed. Since then hardly more than two million men and women have been put back to work. So here we have industry operating almost at normal and approximately eleven million workers still without jobs. True, many of these jobless are not factory mechanics, but that does not alter the fact that despite the industrial boom the unemployment problem is still grave. Current business reports show the amazing extent to which labor-saving machinery has been introduced and factory operations overhauled and rationalized during the depression. The reports likewise indicate that the thirty-five-hour week advocated by the National Recov-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ery Administration will not suffice to give employment to all who are now without jobs. Computed roughly, it seems more likely that the working week will have to be cut down to twenty-seven or twenty-eight hours if the available work is to be equitably distributed among the available workers.

WHAT is the State Department doing about the atrocities in Germany which affect American citizens? Two weeks ago in Leipzig one of them watching a parade of Nazis was set upon and, despite his declaration of American citizenship, was beaten and kicked into unconsciousness. Colonel Frank Knox, publisher of the Chicago *Daily News,* reported that while he was in Berlin recently two Americans of Jewish birth were subjected to Nazi cruelties and that the United States consul-general was awaiting a response to his vigorous protests. Were we dealing with a civilized regime, brutalities of the above kind would be followed by a prompt public apology, indemnity for the victim, and punishment for the assailants. But we face a government which exalts thuggery, which condones bestiality, which glorifies murder. And while Washington should act with far greater vigor than it has hitherto, the proper course is for Americans to stay away from Germany and not expose themselves to the indignities to which they are liable at the hands of the Nazis. That this practice is already being widely followed, not merely by Americans, but also by travelers from other countries, is evidenced in the sharp decline of the German tourist traffic.

BEYOND THAT, the disaffection in the outside world toward Germany and the boycott movement are making themselves strongly felt. This has severely hurt the Hamburg-American's business and is continuing to hurt it and German shipping generally. The volume of business is constantly falling back." Thus spoke Dr. Max von Schinkel, chairman of the board since 1910, at a stockholders' meeting of the Hamburg-American Line on July 26 at which Marius Boeger, the managing director and the entire board of managers resigned in order that the company might be "coordinated with" the Nazi regime. Dr. Schinkel said he did not wish to resign, but that he could not do otherwise. His going was softened by the fact that as chairman he had "not even been able to find out what the reorganization of the company aims at." Besides the chairman, seventeen other members of the board, including all the Jewish members, among them Max Warburg and Bernhard Demburg, were dropped, so that the line is now 100 per cent Aryan—except that it still has Jewish stockholders and a steamer named after a Jew. How much longer will the Swastika wave over the Albert Ballin? The next day the North German Lloyd meeting was similarly doleful. The anti-Nazi boycott is telling here, too. Not even the Bremen and the Europa are doing as well as formerly despite all sorts of concessions, including free tickets to Norway and Sweden. Even more significant is the New York *Times's* report that if the public agitation against German-made dry goods is subsiding, "the boycott on such goods is more effective now than it was a month or six weeks ago. Some retailers have stopped buying German goods entirely while others are restricting purchases to the lowest possible minimum. In one store buyers decline even to view German products." The report that German goods are being sent in without labels fixing their origin has roused the customs officials to extra vigilance. And this is only the beginning of the price Germany will yet pay for Hitlerism.

REJECTING THE RECOMMENDATION of the faculty that military training be made optional, the trustees of Cornell University have decreed its continuation as a prescribed course "because of the present unsettled economic and social conditions of the country and of the world." What really should be made compulsory is a course in recent world history and economics for the financiers and business men who compose Cornell's trustees and, until his recent resignation, included Martin J. Insull, formerly of Chicago, now of somewhere in Canada. The "present unsettled economic and social conditions of the country and of the world" are due chiefly to the militarism which precipitated the World War. The Cornell trustees state further that "the abolition of compulsory drill would be misinterpreted, wrongly appraised, and accorded a significance and construction that would be harmful to the interests of the university and the country." The theory underlying this tender regard for an alleged public opinion would appear to be that because the military mind has taken possession of other countries, Mussolini's Italy, Japan, and now Hitler's Germany, we must likewise teach our young to rattle the saber. The fact is that over Americans and their homes hang the domestic perils of destitution and foreclosure—not the threat of a foreign enemy. This question has been before Cornell for over two years. The trustees' decision, rendered in vacation time when effective protest is impossible, represents the sentiment of neither the majority of the faculty nor of the student body. It represents the views of men whose hardened mentality and hardening arteries have played so large a part in bringing the world to its present pass. Unfortunately it is not an isolated case. In Wisconsin, the legislature has just voted to repeal the optional military training law at the State University, enacted in 1922 under the enlightened La Follette leadership, and to make "instruction and discipline in military tactics" mandatory for all first- and second-year men. Governor Schmedeman could veto this measure. It remains to be seen whether he too will line up with the forces that wish to transform our country into a fascist state.

THE LAST of thirteen persons convicted because of a so-called riot in Tampa, Florida, in 1931 have been released, and thus a case which the American Civil Liberties Union calls "unjustified from the start" has been closed. As told in *The Nation* of December 7, 1932, by Anita Brenner, Tampa cigar workers were holding an overflow meeting outside the Labor Temple. An attempt to disperse it resulted in a melee in which two policemen were injured. Of the thirteen prisoners taken some were in the hall at the time the trouble started, others were merely known to be members of the cigar-makers' union, and one was a traveling salesman who happened to be passing and protested against the treatment of a woman by a policeman. Of the thirteen persons convicted, three were deported. Six served terms of a year in prison, including a grandmother and a mother of an infant—both members of the Flores Magón family, illustrious in Mexican labor history. After much delay the conviction of the four other prisoners, serving longer terms, was set aside by the Florida Supreme Court on May 22, last,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on the ground that under State law there could be no crime of riot unless the riot act had first been read, which was not the case. Even after the decision of the Supreme Court, the trial judge, W. R. Petteway, refused to release the four victims until habeas corpus proceedings were brought, and three of the men were later rearrested and held for a time for "investigation." The whole prosecution grew out of a bitter offensive in the business community to crush organization and attempts at betterment among the cigar workers, largely Spaniards or Latin Americans. Special thanks are due to E. L. Bryan, attorney for the defense, who in pushing the case not only risked a law practice but violence at the hands of vigilantes who plastered the court doors with posters warning lawyers to "Beware of Defending Reds."

TRAMPS are an old phenomenon in the United States—indeed practically an institution—but hitherto they have been of masculine gender. No longer, it seems. The Women's Bureau in Washington, in summarizing a survey recently made in nearly 800 cities of the forty-eight States, by various social agencies, found 9,769 women moving from one place to another, unattached, jobless, and homeless. These women hoboes averaged much younger than men in similar circumstances. In the South and Southwest, regions especially favored by wanderers, almost a fourth of the women were under twenty-one years of age. Lone women past thirty were rarely encountered. On the night of the survey 1,956 women were found sleeping in hobo camps. While the number of lodgings given to homeless men in New York City decreased by 15 per cent in June as compared with May, those given to women increased by 12 per cent. The increase since June of last year was 91 per cent. The Women's Bureau estimates too that the 10,000 women tramps who were counted represent probably not more than a fifth or sixth of the total. Is the woman hobo a new manifestation of feminine rights or an evidence of old human wrongs? In any event, her advent after the revelation last winter of another new social group—homeless, jobless, wandering boys—is something to set beside the optimistic reports about industrial recovery and the passing of the depression.

IN SENDING detachments of the National Guard to Fayette County, Pennsylvania, and putting the region under modified martial law, Governor Pinchot was so clear in his instructions that we are confident the country is to have the novel and refreshing spectacle of State troops used to insure fair play in an industrial dispute. Workers in the soft-coal mines of Fayette County are on strike for recognition of the union and are opposed especially by the powerful H. C. Frick Coke Company, a subsidiary of the United States Steel Corporation. Previous to the dispatch of State troops there had been serious clashes, in which Governor Pinchot felt the Sheriff of Fayette County had sided unduly with the mine owners. The Governor finally accused the Sheriff of "deliberately provoking strife and disorder" and demanded that he withdraw his deputies. The Sheriff's refusal to comply led to calling out the National Guard. Governor Pinchot informed the commander of the State troops that the mine owners had a legal right to operate their plants and should be protected in doing so, but he made it equally plain that the strikers were to be protected in their right to organize, picket, and hold public meetings.

AT LEAST there has been one compensation for the economic crisis; it has tended to drive out frivolous interests and to turn men's minds as never before to a reexamination of the economic system under which we live. The interest in economics is now intense. So, at least, we have been told by many professional feelers of the public pulse. It is interesting to turn for confirmation of this to the list of best-selling non-fiction books as compiled from the bookstores of seventy American cities by the *Publisher's Weekly*. Twenty such books in all are listed, and we set them down in the order of their sales: (1) Zweig's "Marie Antoinette"; (2) Waln's "The House of Exile"; (3) Pitkin's "Life Begins at Forty"; (4) Lockhart's "British Agent"; (5) Roosevelt's "Looking Forward"; (6) Kallet and Schlink's "100,000,000 Guinea Pigs"; (7) Alexander's "Always a Grand Duke"; (8) Culbertson's "Summary of 1933"; (9) James's "Andrew Jackson"; (10) Adams's "The March of Democracy," volume two; (11) "Julia Newberry's Diary"; (12) "Van Loon's Geography"; (13) Moats's "No Nice Girl Swears"; (14) Downes's "Contract Bridge Self-Teacher"; (15) "Tschiffely's Ride"; (16) Hill's "The American Scene"; (17) Tugwell's *"Industrial Discipline"*; (18) "Culbertson's Blue Book"; (19) Powys's "Philosophy of Solitude"; (20 Sutherland's "The Arches of the Years." We have put Mr. Tugwell's book, ranking seventeenth, in italics because it has the honor to be the only strictly economic book in the list. We should not like to think that even that position has been achieved largely because Mr. Tugwell is a member of the President's brain trust, and that business men are reading it because they are trying to learn not what economic arrangements would be wise but what the government expects to do to them.

THE INDUSTRIALIST and the worker, the employer and the employee—they are the prospective beneficiaries of the Administration's far-reaching program. Both capital and labor are already beginning to feel some quickening of industrial and commercial activity. But what about the professional man and woman? For them there is no newly established shorter week and minimum wage. Yet no Americans have been hit harder by the depression than they. Thousands have been reduced to penury, others forced to abandon the vocations for which they have painstakingly fitted themselves and to seek, often vainly, any kind of employment to keep body and soul together. And though the great public-works program brings a prospect of relief to workers in at least two professions—the architects and the engineers—the outlook is none too hopeful. The former—the architects—are the subject of the first article in a series beginning in this issue of *The Nation*. The teachers' dilemma, which will be discussed in the next two issues, is steadily becoming aggravated. Throughout the country municipalities, under the goad of various business organizations, are systematically curtailing school appropriations. In the universities the really drastic reduction in personnel and salaries is due in the coming academic year. Professional workers constitute a most valuable element in our civilization. The havoc the depression has wrought among them is reflected throughout our society, which is permanently injured as their function is impaired. The plight of the professions requires our active solicitude, and should come next on the Administration's agenda for reconstruction.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Labor Gets the Leavings

A POLITE fiction dominates the words and acts of the heads of the National Recovery Administration. They appear to believe that there is no such thing as the class struggle. They hate to admit the existence of even a conflict of interest. This attitude is understandable. It is the military attitude. Military similes are popular with the Recovery Administration. The depression is a "common enemy" to be conquered by a national army—a volunteer army, if possible; a drafted one, if necessary. Eagles, patriotic appeals, sharp commands become the economic methods of the day. Capital and labor?—unpatriotic nonsense; officers and privates, perhaps, but members of the same army. General Johnson (we think perhaps we had better refer to him by his military title) has summed up his position in words so simple and logical as to be utterly meaningless in the face of industrial realities:

> It has been repeatedly said by the Administration that it is not the function of the National Recovery Act to organize either industry or labor. To obtain the benefits of this act, it is not necessary for workers to join either company unions or any particular labor union. Employers may bargain individually with their men. They cannot, however, refuse to bargain with the representatives chosen by labor.

But what does this appearance of bland impartiality really mean? It means that the collective bargaining clause in the National Recovery Act was an empty gesture. Labor in only a few industries is sufficiently organized, after nearly four years of unemployment and underpayment, to state its case or back its demands with any real power. Whatever the law may say, labor as a whole cannot bargain collectively. This fact must be known and deplored by such persons in the Administration as Secretary Perkins and Leo Wolman. But what can they do about it? Miss Perkins's fine statement at the hearing on the steel code may force certain modifications in that reactionary document, but the realities are against any effort to give labor an effective share in the organization of the New Deal. First, we have the patriotic appeal. "Is this the time, then," asks the New York *Herald Tribune* dramatically, "for a labor offensive conducted by gentlemen [the writer refers to those arch-revolutionists, Mr. Green and his associates] whose policy too frequently has been to lambast the employer?" Second, we have the unabashed opposition of employers' associations and the great industries. Third, we have the presence on the huge staff of the Recovery Administration of known opponents of organized labor, such as General Johnson's chief lieutenant, T. S. Hammond; and the number of these is growing. Fourth, we have the logic of events in the operation of an attempt to control industry under capitalism.

Grant that the Administration wants to increase pay rolls and restore purchasing power. That may be assumed; the Recovery Act means nothing if it doesn't mean that. Grant so much and then consider the question, What more does the Administration want? Does it want labor to have a say in the creation of the codes which so vitally affect its welfare? Not particularly. Let the labor representatives present their ideas if they have any; but the Administration will settle the matter of hours and wages on the basis of codes submitted by the industry itself. Is labor to be encouraged to raise wages above the minimum by means of its power to bargain or to strike? Hardly. General Johnson has said: "There is no place in this program, either, for labor to act selfishly or locally. This is no time for strikes because of isolated difficulties."

In the light of this clear and revealing statement it is worth setting down a few items picked out of the newspapers and press services during the last few days which reveal graphically what is actually going on. Here is one worth pondering from the Federated Press:

> Cotton-mill owners are flagrantly violating the letter of the act and the terms of the approved code for the industry in North and South Carolina, Georgia, and Alabama, Thomas F. McMahon, president of the United Textile Workers of America, told the Federated Press. Men who join the union are dismissed; men who have tended eight or twelve looms are made to tend forty in defiance of the clause in the code which forbids increase of the stretch-out. Minimum wage rates are not being paid in all cases where they are legally required. Men suspected of union activity are driven from the mill villages. . . . Armed with these facts . . . McMahon walks the corridors unable to reach Johnson or his subordinates. . . . Johnson has shelved the report and is off to Detroit. Hammond is inaccessible. It is found that Johnson has ordered that all complaints be referred to "the industry."

Leo Wolman has announced that he has definite evidence that workers in various industries have been dismissed for joining unions. In commenting upon this, General Johnson promised that he would withdraw the protection of the code from any employer who "so violates the labor section of the code after a code is applied to his industry." But, says the Federated Press, "Johnson offers no comfort to workers who are dismissed now." In several recent cases reported in the newspapers, strikes have been called off in response to the demands of members of the Administration. Prompt settlement has been ordered in other strikes. Every effort is being made to prevent or hush up or quickly end labor disputes despite General Johnson's announcement that strikes were not his affair.

The final indictment of the labor policy emerging from the Recovery Act appears in the codes themselves. The codes so far reported set wages at so low a level—so little above the lowest generally paid—that it seems likely that they will defeat even their single end of enlarging purchasing power. The blanket code leaves wages above the minimum to be determined by the employer, merely forbidding cuts and urging "equitable readjustments." In the face of swiftly increasing prices this may actually result in widespread reductions in real wages. Employers can raise prices without conference; labor cannot raise wages at all. The Administration fixes minimum wage rates in conference with employers except where a strong union exists and presents its demands. The Administration discourages strikes. It is not interested in whether unions are formed or not.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This is industrial planning under the profit system. In spite of the presence in the Administration of men and women of good intentions and liberal views, this apparently is the way the program must work. We feared as much and voiced our fears when the Recovery Act was first drafted. Those fears have been justified much sooner than we had expected.

Our Lawless Judges

NORMAN THOMAS has written a letter to the Association of the Bar of the City of New York asking it to use its influence to limit by law the power of "tyrannical and irremediable vengeance" exercised by judges in regard to contempt of court. Mr. Thomas bases his plea especially on the recent action against Louis Waldman, lawyer and chairman of the Socialist Party of New York State, who was held guilty of contempt of court while arguing for delay in a labor-union case. *The Nation* knows nothing of the facts regarding Mr. Waldman. Indeed nobody not present at the time can know anything of them, for as Mr. Thomas points out no stenographic record exists and Mr. Waldman was not later granted a hearing or any opportunity to present a defense on the issue of fact. He was condemned on the "unsupported word" of Justice T. W. Churchill acting as "plaintiff, judge, and jury."

That is the usual process, and in protesting against it Mr. Thomas is not calling attention to a new injustice but challenging a long-intrenched tyranny the more inexcusable because it is a survival of an age of despotism which otherwise we have left far behind. To some extent the contempt process as exercised by American judges is based upon law, but in a large measure it is founded upon what judges call their "inherent power" to maintain the authority of the courts. When judges talk about "inherent power" they usually mean what the rest of us call usurped power. Probably the whole contempt process is to a large degree unconstitutional, but as the judges are the interpreters of the Constitution they naturally have construed it in their favor. Contempt proceedings are a heritage of medievalism—of the era of "divine right." Americans repudiated the divine right of kings years ago but we still have with us the divine right of judges.

Without question the courts should be able to protect their procedure and enforce their orders, but offenders should not be subject to the passion of the outraged judge. They should be prosecuted under established law, with the protection of a regularly conducted trial presided over by some judge other than the complaining one. The existing practice whereby a magistrate acts as prosecutor, judge, and jury in regard to his own accusations, and fixes the penalty according to his own sweet will, has no place in even a semi-civilized country. In one respect punishment for contempt of court ought to be completely abolished, that is for a criticism made out of court of a judge or a judgment. There is no reason why judges should not be subject to precisely the same criticism as is leveled against legislative or administrative officials. The latter have the protection of laws against libel and slander, and that is all that judges should have.

Much of our submissiveness in regard to existing contempt proceedings grows out of the carefully inculcated theory of the "majesty of the law." The theory is poppycock. There is no majesty in the law, and judges are not sacred cows, although they may sometimes be egregious asses. The law is a painfully inadequate and often erroneous effort to express the public will, and judges are only a fallible and sometimes prejudiced agency in carrying it out. All the absurd liturgy and pomp of our judicial structure—our insistence upon the "dignity of the court"—are largely a defensive effort to cover up otherwise glaring insufficiencies and injustices. American judges are especially vulnerable in regard both to their intelligence and their integrity because of our naive habit of filling positions on the bench by popular election or political appointment. In France, for instance, where one prepares for the bench as a career by special training, and advances according to ability and length of service, it is hard for men to conceive how we tolerate a system in which any shyster lawyer or peanut politician may attain to the "judicial ermine." By chance rather than because we deserve it, the United States has been and still is blessed with a great many able and upright judges, especially on the federal bench. But against them must be set some crooks, a good many ignoramuses, and not a few pompous old fuddy-duddies chiefly occupied with maintaining their "dignity" and parading their "authority." One of the latter once thundered at a lawyer before him: "Counselor, are you trying to express your contempt of this court?" "No, your honor," was the reply, "I am trying to conceal it."

Judges cannot lessen contempt of court by exhibiting their spleen or exercising despotic powers. They can create respect for themselves and the bench by deserving it.

How the Movies Educate

A FEW weeks ago we commented upon the touching statement of Will H. Hays, czar of the movies, who has declared his intention to rule the celluloid empire not in the interest of those who have millions of dollars invested in the industry but in the interests of the fathers and mothers of America "who have millions of children invested in them." At the same time he professed to have toward "that virgin thing, the mind of a child," the same tender attitude which we expect on the part of "the best clergyman" or "the most inspired teacher of youth."

From this one might easily conclude that there was some danger of our raising up a race of young prigs, innocent of the world and handicapped by minds too long sheltered from any knowledge of the seamier side of life. We hasten, however, to assure our readers that Mr. Hays is actually rather more liberal than his words would lead one to expect. This happens to be the season when the loyal members of his empire are announcing the titles of the works with which they propose to educate the youth during the next few months, and an examination of the titles tends to dispel very effectively any fear that the producers are sticking too close to the tradition of Oliver Optic or the author of the Rollo books. Mr. Hays seems, indeed, to have rather odd ideas concerning what is appropriate to "that virgin thing, the mind of a child."

The curriculum for the summer is so varied that it is hard to make a choice. "My Lips Betray" is promising and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

so, in a slightly different way, is "Moonlight and Pretzels." Then there is "Pilgrimage," described as a study in "flaming young love unafraid," and there is also "My Weakness," with Lillian Harvey and "a host of Hollywood's hand-picked beauties," to say nothing of "The Woman I Stole," "Gold Diggers of 1933," and "Storm at Daybreak"—which last is compactly described thus: "A young wife; a young man; and an old husband. Love caught them in a cyclone of emotion!" We think, however, that if we had a virgin mind which we were anxious to educate, we could classify all these as elective courses from which a choice might be made in order to round out the necessary number of hours, and that we should make compulsory only the two following works, whose titles we quote (with full catalogue description) from advertisements appearing in that well-known educational journal, *Variety*:

> "The Worst Woman in Paris?" A beautiful butterfly hiding her heart and inviting the caresses of the world's best-dressed man and best-known lover.
>
> "He Knew His Women." A full-blooded story of the wide-open Bowery in the Gay Nineties when ladies laced tight and men cut loose! Today's young folks may think they're pretty wild, but they never saw the match of the hell-raising "good old days."

This last item seems to us to be educational in the best sense. It shows how the movies tend to combat that ignorance of the past which has so often been charged against our young people, and how they show that our ancestors, too often thought of as merely old fogies, have much to teach us. Here is a salutary reaction against the spirit of the debunker, a return to that sound practice which holds up the heroes of the past as models for imitation. Young folks today may think they are pretty wild. But what does even the average college graduate really know about the days "when ladies laced tight and men cut loose"?

Still Starving

FOLLOWING the cue from Washington, the press of the country is engaged in a united effort to ballyhoo the country back to prosperity. By making a great to-do over slight gains in employment and increases in wages—by applying the mind cure to economic ills—an effort is being made to lift us out of the industrial depression by assurances that it no longer exists. The method may have some success in allaying groundless fear or dissipating imaginary difficulties, but it requires high powers of hypnotism to convince a man with an empty stomach that he isn't hungry or to persuade a family that has just been put into the street that prosperity has returned. And there is the danger that by lulling Americans into the belief that their troubles are over, or soon will be, the solvent majority will neglect the unfortunate minority. That, in fact, seems to be what is happening all over the country. A slight upturn in industrial conditions—and still more the advantage of summer weather and seasonal employment—is blinding people to the fact that millions of persons are in acute distress.

Meanwhile efforts toward relief were never so demoralized. Attempts to raise funds by voluntary contributions are petering out. City governments are passing the responsibility to the States and the States are shifting it to Washington. The latter replies that it will help only on a contributory basis and where local units are doing their utmost. A less friendly spirit seems to be developing between relief agencies and their unfortunate dependents. Gradually the unemployed have been organizing and are rightly protesting against oppressive and inadequate methods of relief. Hunger marches have given way to strikes among the so-called beneficiaries of charity, and relief agencies seem to be meeting the situation with an increasing resort to force, not to say illegality. Men working on Buffalo Bayou in Texas for relief wages have protested against mosquitoes, poison ivy, and terrific heat, but have been told that unless they take what they are offered, all help will be cut off. In Prairie Township, Ohio, when men working at eighteen cents an hour on the roads struck for forty cents an hour, the State minimum, three of them were arrested for vagrancy and "riotous attempt." The Federated Press reports that at High Point, North Carolina, two women—former students at Brookwood Labor College—and one man were arrested lately, charged with inciting to riot and vagrancy because they induced workers to protest against eighty cents a day for relief work. Vagrancy laws, it appears, are increasingly invoked against the unemployed to club them into submission.

In New York, the nation's wealthiest city, relief for the needy has been on a reduced scale lately, and is in a most precarious and hand-to-mouth situation because the municipality can neither borrow more money nor devise acceptable taxes. The State legislature has been assembled in extra session and the city has been attempting to shift its burden to the whole commonwealth, but this has rightly been blocked by the Republican legislators and the Democratic governor in a common demand that New York solve its difficulties with its own immense resources. The collapse of New York's credit, and the prospect that it may follow Chicago on the road to bankruptcy, is commonly attributed to "Tammany corruption," but is a deeper ill than that suggests. What has happened in New York is the now familiar American spectacle of a plutocracy superimposed upon the old forms of democracy. For years a crew of political go-betweens, in return for a high commission, has kept the masses in line with bread and circuses while to the classes it has afforded privileges and immunities to accumulate incredible profits. In times of prosperity the system worked in its own crude fashion, but since the industrial depression it has been increasingly impossible to give the masses their usual ration of bread although, wise politicians that the Tammany leaders are, they have continued the circuses on a not greatly reduced scale. As to the classes, they are horrified that any substantial share of their wealth should be extracted in the form of taxes. When the city government proposed lately to lay a tax on automobiles using the city streets a roar went up from the down-trodden owners of those machines which compelled an immediate abandonment of the plan. It looks, therefore, as if the political racketeers would have to turn upon the more numerous but less powerful masses as a source of revenue, seeking new money by sales taxes and other levies falling most heavily upon the poor, not to speak of a possible increase in the fares of the underground railroads upon which the populace depends for transportation.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Issues and Men

Shall the Real Liberals Coalesce?

FROM a Texas reader of this weekly commentary come these questions: "Do you think the 'New Day' has finally dawned at Washington, and is the Administration, judging by its accomplishments since March 4, really sincere and honest in its purposes? Above all else, do you think there is reason to believe that leadership and courage have finally come to Washington after so long an absence?" Let me reply at once that the President, in my judgment, *has* demonstrated both leadership and courage, and that his Administration is really sincere and honest in its purposes. I do not see how anyone can question this, however much one may regret Mr. Roosevelt's errors, the worst of which is yielding without warrant of Congress to the jingo demand that we build our fleet up to the treaty limits—under the excuse of giving jobs to shipyards and their employees.

But to pass a final opinion on the Roosevelt Administration, or to prophesy that it has achieved the miracle of conquering the depression and putting all the unemployed back to work, is impossible now. No one can tell, not even Mr. Roosevelt. We only know that in contrast to the Hoover Administration there is not only great leadership, but tremendous courage; that the whole psychology of the people has been changed for the better; that there are remarkable evidences of industrial revival as most strikingly shown by the second-quarter reports of General Motors and United States Steel. This does not yet prove, however, that the changes under way are all wise and of genuine therapeutic value. Some may yet prove to be almost worse than the disease. The very haste with which these remedies have been compounded would seem to necessitate revision in due course. Too many men have drafted laws about matters with which they were not familiar through actual experience, and the multitude of enactments is so stupendous that a certain amount of redigestion seems absolutely essential.

Granting Mr. Roosevelt's courage, boldness, originality of attack, and the daring and comprehensiveness of his nation-wide appeal to employers, big and little, voluntarily to submit themselves to the new doctrine of shorter hours, high wages, and decent business practices, I am still not yet convinced that the Democratic Party has been transformed by the President into the ideal liberal-progressive party for which so many of us have been sighing so long. He drove through Congress a host of measures which the bulk of the Democrats who voted for them had either not read or not understood, for which he had received no party authorization whatever. This procedure, I found in England, has especially amazed foreign observers. They cannot understand how a President elected on a platform written in July, 1932, could in March, 1933, inaugurate so radical a policy, differing so much from the spirit and letter of that platform, without even calling a party convention or a council of leaders to obtain their approval and consent. When Congress reconvenes in January the Democrats may or may not approve of what the President has done. If we are on a full flood-tide of economic resurgence there will be little caviling. But that does not mean that his party will have become a radical reform party, just as nothing that the President has yet done has proved that he is understandingly interested in transferring the economic power from the hands of the privileged few to those of the masses. He is tinkering with the old economic system; he appears really bent, with certain changes, on restoring the old order. There is not even proof as yet that he knows how far to the left he has gone, or realizes the significance of all that has been done. Certainly we have as yet no comprehensive, far-reaching program for the next three and one-half years, or seven and one-half years, no promise that the basic industries, through which the Wall Street powers maintain their stranglehold upon us all, shall be nationalized—not even the railroads or the banks. He has not laid a finger upon the great monopolies, nor upon the greatest stronghold of privilege of all—the tariff. And he has backed, body and soul, the big-navy vested interests and touched not at all the sinister army and navy lobbies.

So I find myself in hearty accord with the proposal to call a convention in Chicago at the beginning of September which is being sponsored by the League for Independent Political Action for the purpose of taking stock of the situation and seeing whether it is possible to consolidate the various farm and labor movements into a liberal-radical party. I am well aware that if the Congressional elections were to be held this fall, the Democrats would poll an amazingly large percentage of the votes; that there is much propaganda to the effect that it is unpatriotic now to say a word against, or express a doubt about, the Roosevelt program and policies; that we are very close to the war-time psychology of labeling as traitorous anyone who dissents or questions.

Again, as long as the Republican Party is the only opposition the need for a fusion of liberal elements is obvious. And there is still another reason for establishing a clearing-house of liberal opinion. Let us not underestimate the drift toward fascism. One of the most striking figures in the Wilson Administration recently said very earnestly to me that if Roosevelt should fail there would come a coalition government probably headed by Al Smith, and after that fascism. Perhaps distinctly more serious is the danger of our drifting into the new form of state by the slower, less obvious process of being regimented and regulated, and dangerously restricted in our liberty of action. Unawares, we could go far in this direction, for if the Roosevelt measures should prove illusory people will care even less what is done or how it is done, if only relief is achieved somehow. Chains are very easily put on, as Germany shows; they are put off with extraordinary difficulty. A clearing-house of liberal, and radical, and Socialist opinion might prove to be a lighthouse and a warning-tower of great importance in letting the country know whither we are drifting and how fast.

Oswald Garrison Villard

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Home-Loan Act—a Fraud?

By HENRY GOLDEY

THE Home Owners' Loan Act, which became a law on June 13, is designed to aid home owners who are in danger of losing their property. It applies to property "upon which there is located a dwelling for not more than four families used by the owner as a home, or held by him as a homestead, and having a value not exceeding $20,000." The act provides for the creation of a new corporation to be known as the Home Owners' Loan Corporation. The capital stock of the corporation shall be subscribed by the government in such amounts from time to time as the Board of Directors (who, under the act, are the same as the Federal Home Loan Bank Board) may determine, but not to exceed in the aggregate $200,000,000.

In addition, the corporation is authorized to issue $2,000,000,000 in bonds maturing within eighteen years, bearing interest at a rate not to exceed 4 per cent. The interest but *not* the principal is guaranteed by the government. While the corporation is authorized both to sell these bonds or exchange them, Chairman Steagall of the House Banking Committee, during the debate on the bill, stated that the exchange and not the sale of the bonds was contemplated. With this financial structure, the corporation is authorized to deal in three different kinds of home mortgages, which for convenience may be designated as 80 per cent, 50 per cent, and 40 per cent mortgages.

Under the 80 per cent plan, the corporation will refinance a mortgage indebtedness existing at the time of the passage of the act by exchanging its bonds for the mortgage; and will, in addition, advance cash to pay taxes and assessments and to provide for necessary maintenance and repairs, provided that the aggregate amount of bonds and cash does not exceed 80 per cent of the present value of the property, and does not exceed $14,000.

The 50 per cent plan applies to the fortunate home owner who has no mortgage whatever on his property. In his case, the corporation will advance *in cash* not in excess of 50 per cent of the value of the property, but only for the purpose of paying taxes and assessments and providing for necessary maintenance and repairs.

Under the 40 per cent plan the corporation will advance *in cash* up to 40 per cent of the value of the property to liquidate an existing mortgage indebtedness, where the mortgagee refuses to exchange his mortgage for the bonds, and to pay taxes and assessments and provide for necessary maintenance and repairs.

In each case, the obligation of the home owner to the corporation shall be for the face amount of the bonds given in exchange for the mortgage, plus the cash advance, if any, and shall be secured by a first mortgage on the property, bearing interest of not more than 5 per cent for the 80 per cent and 50 per cent mortgages, and not exceeding 6 per cent for the 40 per cent mortgages. The principal of the mortgage is to be amortized within fifteen years; the owner, however, need not make any payments on account of principal during the period of three years from the effective date of the act, provided that he complies with all the other provisions of the mortgage. In addition, "the corporation may at any time grant an extension of time to any home owner for the payment of any instalment of principal or interest—if in the judgment of the corporation, the circumstances of the owner and the condition of the security justify such extension."

I wish to emphasize at this point that the original bill introduced in the House by Chairman Steagall contained no provision whatsoever for the refinancing of home mortgages on a cash basis. This provision found its way into the act through later amendments.

In the authorized statement explaining the act, William F. Stevenson, Chairman of the Home Loan Bank Board, said:

> But no large volume of mortgages can be liquidated in cash under this [40 per cent] clause; because most homes are mortgaged for more than 40 per cent, and also because sufficient funds are not available to take over any large percentage of home mortgages in the country.

While this statement referred to the 40 per cent mortgages, it must have been intended to apply with equal force to the 50 per cent mortgages as well, because for these also cash advances were provided. It is therefore clear that the *primary* purpose of the bill concerns the 80 per cent mortgages in which the mortgage holder exchanges his mortgage for the bonds of the corporation.

It seems to me that any distressed home owner with a large mortgage on his property, with taxes unpaid, and with a house in need of repairs, upon reading about this bill must have felt very grateful toward Uncle Sam, who was ready, able, and willing, through this corporation, to lend him up to 80 per cent of the present value of his property, and to give him fifteen to eighteen years in which to repay it.

Unfortunately, however, there seems to be a slight hitch in the 80 per cent plan. Suppose, for example, that the mortgagee refuses to exchange his mortgage for the bonds. What then? Is it possible that these bonds might not prove sufficiently attractive to mortgagees to warrant an exchange? Is it possible that some mortgagees would not be *legally* permitted to make the exchange? The facts, which I intend to prove, are (1) that the vast majority of mortgagees would not be legally permitted to exchange their mortgages for these bonds; (2) that Congress knew this to be the case; (3) that independent of legal restrictions, the bonds are of little worth and therefore unattractive, and that Congress knew this also.

The bonds which the Home Owners' Loan Corporation is authorized to issue in exchange for mortgages are what are ordinarily known as debentures, that is, they are the mere promises of the corporation to pay, unsecured by the pledge of any specific assets. Under the laws of the several States, life insurance companies, savings banks, building and loan associations, title companies, and executors and trustees of estates are prohibited from making investments except in specific securities, such as government bonds, State bonds, certain municipal and county bonds; first mortgage bonds of specified railroads and in some cases, of utilities; first mort-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gages on real estate not in excess (in most cases) of 60 per cent of the value of the property. They are not permitted to invest in the unsecured bonds of any corporation.

The debenture bonds of the Home Owners' Loan Corporation are therefore ineligible under State laws for investment by such supervised financial institutions. Since approximately 80 per cent of home mortgages are held by these financial institutions and an unknown, but undoubtedly substantial percentage of the remainder are held by executors and trustees, it is clear that no relief under the bill can be expected by the vast majority of the home owners in the country.

Of course, it could have been possible that Congress overlooked this legal barrier to the workability of the law, considering the tremendous amount of important legislation enacted by it, but the *Congressional Record* proves that it was not an oversight. On April 27, during the first day of debate on the bill in the House of Representatives, the following colloquy took place:

> MR. COCHRAN (Dem., Mo.): Is this bill going to be another fraud like the one enacted at the last session of Congress?
>
> MR. GOLDSBOROUGH (Dem., Md.): It is not a fraud.
>
> MR. COCHRAN: Are we then going to be honest and tell the people that this bill is not a set-up through which the government will take over their mortgages?
>
> MR. GOLDSBOROUGH: Only people coming within the privileges of this bill can get relief.
>
> MR. COCHRAN: It depends on whether the mortgagee will accept bonds. Insurance companies and building and loan associations cannot accept bonds under State laws.
>
> MR. BRENNER (Dem., Ill.): Of course, if the mortgagee doesn't want to do refinancing, he cannot be compelled to.

On the day following Mr. Cochran again obtained the floor.

> Is there a man in this House [he asked] who will deny that the laws of the various States do not prohibit building and loan associations, savings banks, and insurance companies from purchasing securities of the character described in this bill? I pause for a reply. No one seems to contradict this statement, and if it be true, who is going to take the bonds and where is the relief coming to the home owners?

Mr. Steagall, chairman of the House committee, who sponsored this bill, was present at both sessions of Congress during this debate, yet during the entire two sessions, no one answered the criticism of the gentleman from Missouri. In other words, Congress, according to its own official record, passed a law offering to trade bonds for mortgages when Congress knew that the vast majority of the mortgagees would not legally be permitted to make the exchange.

Can the situation be rectified? It can, in two ways, neither of which is likely to receive serious attention. The bonds could be made eligible for exchange if the principal as well as the interest was guaranteed by the government. This question was repeatedly raised during the debate on the bill in both houses but the suggestion was rejected by sponsors of the bill as inviting a Presidential veto. It was indicated that if the government undertook to refinance home mortgages by an exchange of bonds of which both principal and interest were guaranteed by the government, every mortgagee would call in his mortgage and force an exchange of the mortgage for the bonds, in which case the two billion dollars provided by the bill would be wholly inadequate. Turning to the *Congressional Record* we find two statements from Representative Steagall:

> It would be a serious thing to undertake to guarantee principal and interest on bonds of home owners aggregating over $21,000,000,000. There is an end to what can prudently be done.
>
> Nobody contends that we should open up the Treasury of the United States for adequate relief for all home owners.

Somewhat later Representative Reilly (Democrat, Wisconsin), spoke as follows:

> Where are you going to get the money from? If we should issue twenty billion dollars worth of bonds to take care of our city mortgages, we would be entering upon the most stupendous inflation this country has ever known, an inflation that would destroy and wreck the industrial life of our country. We all have sympathy with the home owner, but there is a limit beyond which the government cannot go.

The second way out is the passage of enabling acts by the several States to permit insurance companies, savings banks, and other agencies to invest in the debentures, of which only the interest is guaranteed by the government. But to let down the bars of safety, which for generations have guarded the investments of these financial institutions, would constitute a great legislative crime. I doubt whether any of these financial institutions, considering the trust and confidence reposed in them, would for a moment consider the exchange. It would certainly be a breach of faith toward every purchaser of a building and loan certificate, every savings bank depositor, and every life insurance policy holder who has heretofore felt secure in the knowledge that the investments of these institutions are rigidly restricted by law, if these organizations were permitted to invest in the unsecured bonds of a politically managed corporation dealing in 80 per cent mortgages.

Assuming that enabling acts were passed, what about the desirability of the bonds as an investment. If a private corporation were to attempt under the stress of emergency to start a nationwide business of investing in mortgages, a tremendous amount of administrative waste would of necessity result. When such work is performed by a politically organized corporation, even assuming 100 per cent honesty all along the line, the waste would be staggering in comparison.

The announcements of the Federal Home Loan Bank indicate that the Home Owners' Loan Corporation will be organized with branches in each State and representatives in each county. There are 3,000 counties in the United States. According to an announcement in the New York *Times* of July 9, about 500 new jobs will be created in New York State alone to carry out the purposes of the act. Since there are 62 counties in New York State, this would mean an average of over 8 employees per county. If this average is maintained throughout the country, approximately 25,000 worthy, hungry job-holders would be employed in the administration of the act. At an average salary of, say, $50

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a week, the total annual administrative expense for salaries therefore would be $62,500,000, exclusive of all other expenses. The *total* annual expense would probably reach $75,000,000.

Nor is it likely that this annual expense would be limited to the first few years of the corporation's existence. If it ever begins to function it will necessarily be in the mortgage and real estate business for at least eighteen years and probably many times eighteen years. While the law provides that the making of these loans shall be limited to the first three years of the corporation's existence, the corporation will have to carry on until the last mortgage has been completely amortized and the last bond paid.

Going into the matter a little further, what would the corporation's income be? Let us assume that the corporation functions to its fullest extent and owns $2,000,000,000 worth of home mortgages for which it has issued an equal amount of bonds. Let us also assume that each home owner pays his interest promptly and in full. The income of the corporation at an interest rate of 5 per cent would therefore be $100,000,000.

If the administrative expenses are $75,000,000 and the corporation's income is $100,000,000, only $25,000,000 would be left with which to pay the interest of 4 per cent on the outstanding bonds of the corporation, representing a deficit of $55,000,000 which the government has guaranteed and which it will have to make good. This estimate, it must be remembered, is based on the assumption that all the distressed home owners throughout the country are going to pay their interest promptly and in full. Does anybody really believe that this will be the case?

If the distress of the home owners is as keen as it is claimed to be, refinancing their obligations will not put them in any better position. And since the corporation has the right under the law to extend the time of payment of any instalment of principal or interest, it can readily be seen that this politically sponsored institution, itself feeding at the public trough, will have little serious objection to sharing it with others. It is much more likely that instead of an income from interest of $100,000,000 a year, the corporation will realize closer to $20,000,000 or perhaps a maximum of $40,000,000 on the $2,000,000,000 outstanding. If so, income from interest will not even equal administrative expense. Even with the greatest economy in administration, the best that might be hoped for is that the income and expense will be equal. In that case, the annual deficit which the government would have to make good would be the total interest charge on the bonds, or $80,000,000, entailing a burden on the general American public of something like $1,500,000,000 during the eighteen-year period.

Let us now try to envisage the final liquidation of the corporation's business, assuming for the sake of the argument that it ends in eighteen years. Does anyone think that 100 per cent will be realized on the assets of the corporation? Once an owner's equity in the property is a mere 20 per cent, there is little incentive to continue to increase that equity, especially when the money is owed to good old Uncle Sam. Considering the rapid depreciation of this type of property, generally estimated at 4 per cent per year, it seems clear that when a final reckoning is made, the government will be fortunate if it realizes more than 25 cents on the dollar.

Let us be more optimistic, however, and assume that 50 cents on the dollar will be finally realized. What then? Will the holders of the bonds get the 50 cents on the dollar and in the meantime the 4 per cent interest paid by the government? *No, because the interest guaranty has a catch in it too.* While the act says that the interest on the bonds shall be fully and unconditionally guaranteed by the government, and that "such guarantee shall be expressed on the face thereof," the further provision is made that any monies advanced by the government to make good the interest on these bonds *"shall become an obligation to the United States of the corporation, and shall bear interest at the same rate as that borne by the bonds."*

If, for example, the government will have had to make good the entire annual interest charge during the eighteen-year period of $80,000,000 per annum, the amount owing by the corporation to the government at the end of that time with interest will be close to $2,000,000,000; the total indebtedness of the corporation at that time, therefore, will be $2,000,000,000 in outstanding bonds and $2,000,000,000 to the government—a total of $4,000,000,000. If the corporation should then liquidate and realize 50 per cent on its assets, it will have $1,000,000,000 in cash with which to satisfy $4,000,000,000 in claims; the bondholders would receive a mere 25 per cent of the principal, and the government would lose $1,500,000,000 on the transaction.

That Congress thoroughly understood the worthlessness of the bonds and nevertheless passed the bill is evident from the following excerpts from the *Congressional Record*:

> Mr. McFadden (Rep.,Pa.): I say to you that the government will get all the inferior mortgages of the country—those which the public want to unload.
>
> Mr. McGugin (Rep., Kan.): We all know that these bonds are not going to be good as to principal 100 cents on the dollar, because the security back of them is bound to be mortgages which are in distress at the very time these are exchanged for the bonds.
>
> Mr. Glover (Dem.,Ark.): I do not know, but I believe there is not a man on this floor who would pay hard cash to buy the bonds provided in this bill. If there is a man, let him stand up. I would not do it, and you would not do it.
>
> Mr. Martin (Dem.,Ore.): I do not understand that it is good business venture to loan on property up to 80 per cent when it is notorious that appraisers overappraise in reference to government loans.
>
> Mr. Celler (Dem.,N.Y.): Suppose a man . . . cannot pay his interest or amortization. Will the corporation foreclose? What is he going to do? He is going to his Congressman . . . and tell his troubles. What will the Congressman do? He'll endeavor to get an extension. If the foreclosure is in process, will this corporation eject the owner? I am sure that you are not going to get any ejection . . . The prospective investors know what they will have. They will have just pieces of paper for security, empty rights with no worthwhile privileges to foreclose due to political pressure.
>
> Senator Gore (Dem.,Okla.): What is the difference [between a three-year and five-year moratorium]? Will not the moratorium be made perpetual? Senators . . . discuss the imaginary difference between 5 per cent and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

8 per cent interest under this scheme. What is the difference? Neither will be paid.

Mr. Wheeler, Senator from Montana, stated another truth when he said that he would feel much safer if his loan were placed with the federal government rather than a private lending concern. He said he did not believe the federal government would foreclose the mortgage. Certainly it will not. Suppose we make loans to 1,000,000 or 2,000,000 farmers and they demand that extensions, reductions, cancelations be made. . . . What answer will the Senators make? . . . Mr. Wheeler says "Cancel," an echo answers "Cancel," a chorus answers "Cancel." There is no other course.

A peculiar feature of the act remains to be mentioned. At the beginning of this article, I gave a résumé of the provisions of the act with respect to the kinds of mortgages the corporation is permitted to deal in. A second part of the act covers the organization of new building and loan associations in sections of the country where such associations do not exist. The act provides that the government shall contribute capital, dollar for dollar, up to a certain amount, to such new building and loan associations, and also specifies the kind of securities such building and loan associations are permitted to invest in. *The bonds of the Home Owners' Loan Corporation are not included.*

The passage by Congress of the Home Owners' Loan Act when it knew that the measure could bring relief only to a small percentage of home owners, and in those cases only when individual mortgagees might not be able to make a thorough analysis of the value of the bond, was a deliberate fraud. The act should be repealed.

It happens that an effective substitute is available. I refer to the possibility of State action similar to the emergency rent legislation in New York of a few years ago, which was sustained by the United States Supreme Court as a proper exercise of the police power of the State. It will be recalled that during the hectic days of 1920 and 1921, when rents in New York City and other urban centers skyrocketed to dizzy heights, legislation was passed prohibiting landlords from dispossessing tenants during the emergency, the court in the meantime being given the right to fix the reasonable rental value of the premises.

According to an Associated Press dispatch of July 7 last, the Minnesota State Supreme Court in a 6 to 1 decision upheld as constitutional the two-year emergency foreclosure relief act passed by the 1933 legislature. This act, among other things, provides that during the two-year stay the owner must pay the rental value of the property. The court in that case, said:

> There can be no doubt that in some degree our act impairs the obligations of the mortgage contract, and hence runs counter to Section X, Article 1 of the federal Constitution. But our conclusion is that the legislature, under the police power of the State, has authority to enact laws to relieve a public emergency even though such laws temporarily impair obligations of contract, provided the impairment is no more than reasonably necessary. To that extent, the police power is supreme.

If such legislation were enacted in all States, the Home Owners' Loan Act, with its 25,000 political jobs entailing a colossal loss to the American taxpayers, would be quite unnecessary. And if Congress were in a generous mood, it could in addition devote the $200,000,000 intended to be wasted in political patronage under the Home Owners' Loan Act to the relief of those who cannot even pay the reasonable rental value of the premises during the stay of the foreclosure action.

The Administration's Answer

Mr. Goldey's article was submitted by The Nation *to William F. Stevenson, chairman of the Board of Directors of the Home Owners' Loan Corporation and of the Federal Home Loan Bank Board. His comments follow:*

The article submitted by you is based upon a misconception of the scope and purpose of the Home Owners' Act of 1933.

The total of all the home mortgages of the country is in excess of $20,000,000,000, over half of which are in default of one or more of their terms. Congress did not believe that it would be wise for the government to endeavor to take over so vast a portfolio of mortgages, and drive all private capital out of the mortgage lending field. But it did believe that some measure of relief should be offered, by taking off the market mortgages of distressed home owners, to the limits of the act, in the hope that by so doing it would tend to stabilize realty and mortgage values.

It is true that in some States, under the provisions of their laws, some types of mortgagees may not be permitted to exchange their mortgages for bonds of the corporation without the aid of enabling legislation. But it is also a fact that there is a total amount of mortgages available for exchange far in excess of the authorized amount of bonds that the corporation may issue.

The bonds are backed by the authorized capital of the corporation, which is $200,000,000, and by the mortgages given to secure the primary obligations of home owners who have refinanced their indebtedness to the corporation. These mortgages will be carefully placed, upon adequate appraisal, examination of title, and inquiry as to the ability of the home owner to meet the obligation he incurs with the corporation. It is unthinkable to assume, as has been assumed by your writer, that any large number of American citizens owning their own homes will deliberately refrain from paying their mortgage indebtedness for the sole reason that a governmental instrumentality is the holder of the mortgage.

The figures quoted as to the expense of the operation of the corporation are so fantastic that they have the appearance of being deliberately exaggerated. The corporation will operate through a State manager with a small force of assistants, who are being paid a remuneration that is most reasonable for the services rendered; the county appraisers, as well as the attorneys in the respective counties, are to be paid upon a piece basis for the work they actually do, which fee will be paid by the borrower; and the large numbers of citizens who will act as advisory committees in the respective counties and States of the country are acting without compensation of any kind, undertaking their duty as a patriotic one for the good of the country as a whole.

In my opinion, the article is most unfair and does not truly represent either the purpose or the scope of the act nor the possible good that the corporation may do. In thirty days the board will be able to give definite figures as to the annual expense, which will largely cease at the end of three years, while the income will continue.

WILLIAM F. STEVENSON

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Architect and the Depression

By TALBOT FAULKNER HAMLIN, A.I.A.

IT is common knowledge that architecture has been hard hit during the last three years, but it is doubtful if there is any general realization of the terrific intensity of the blow it has received. Figures collected by the Dodge Corporation Reports for the thirty-seven States east of the Rockies (published in the *Architectural Record* for July, 1933) show that in 1932 architects had less than one-seventh the work they had in 1928. The figures for contracts let under architects' supervision in round numbers are as follows: 1928, $3,600,000,000; 1932, $500,000,000. The Pacific States were less drastically affected, but even there the falling off in business was severe. In other words, if architects were producing the same amount per capita in 1932 as in 1928, out of seven architects and draftsmen at work in 1928 only one would be busy today. Of course this is not the case; production per capita, and consequently income, has fallen off as the total of construction has diminished; thousands of architects and architectural firms still ostensibly in active practice are leading a precarious half-life, striving manfully to collect enough from the crumbs of work that fall their way to meet the office rent and some of the overhead expense.

The Dodge Corporation figures reveal another interesting fact. In 1928 the $3,600,000,000 of work was shared by 9,000 offices; in 1932 the $500,000,000 of work went to only 5,300—a falling off of roughly 4,000 offices or individuals. But this does not tell the whole story, for the figures for the four years from 1928 to 1932 show a total of 9,700 new architects; including these, the number who have given up the ghost since 1928 is another 13,000 and the number continuing in practice only 3,800.

In this tremendous shift it is noteworthy that the smaller offices have frequently fared better than the larger ones. The large office with its extravagant overhead is badly hit when income slumps or ceases; the smaller office, with lower charges, can continue to carry on. Moreover the large office is not likely to seek the small work on which the small office can still continue to make a meager living, for the training and experience necessary for designing, organizing, and superintending a large commercial building do not necessarily produce an efficient architect for a small house or for alterations in a tenement or shop.

During the depression, then, the small architectural office of one or two men has gained a new importance. And this fact may be more significant for future developments than it now appears. It is likely that in the years immediately ahead there will be little of that type of enormous work which alone justifies and makes necessary the "plan-factory" type of architectural office that was so characteristic of the boom years. Decentralization of industry is proceeding in many localities. May it not be that a similar decentralization of architectural practice will take place?

Even though the percentage rate of architects' fees on smaller work is greater than that on commercial and investment buildings, the total income from architectural practice in 1932 was at best less than a fifth of the income in 1928. Behind these figures lie the poverty and the smashed hopes of a great part of the architectural profession. The drastic slash in income has had various effects. The architectural work of the country is largely done in offices employing from two to one hundred draftsmen, in addition to the necessary clerical and accounting force. The stenographers and clerks thrown out of work are merely added to the general mass of unemployed white-collar workers; some can, and do, find places in other fields. But the draftsmen—the "pencil pushers" who make by far the greater number of the actual working drawings and details of a modern building, the specification writers, and the superintendents of construction—face a hopeless and a cruel situation. They are highly trained specialists, most of them; they have given their lives to the profession. They have been accustomed to a high standard of living, to a weekly wage that varied from $35 for a junior just out of architectural school to $150 or even more for the more brilliant and experienced designer and executive. Six out of seven of them have lost their jobs.

Right here, perhaps, lies one explanation of the 9,700 new architects who appear on the Dodge Reports list for the depression years. The clever draftsman—the man with initiative and perhaps with connections—realized when he was fired that there was no more employment to be had in his field. But there were unimportant architectural jobs still—store alterations, little houses, modernizations, and so on, often too small to interest a large or prominent architectural firm. These he sought out, and sometimes obtained; and thus a new architect was added to the already overcrowded field.

Other draftsmen, disgusted with the result of a lifetime of effort in a chosen profession, have turned to other fields. Some have turned artists or interior decorators. One makes decorative maps. One, with a musical avocation, plays the piano for a radio circuit. Another is a taxi driver. And many have gone into commission selling—that last chaotic field which modern finance and industry have developed to absorb those technologically and otherwise unemployed—and hawk over the country everything from pencils to life insurance. Yet there remain countless more who have been unable to make these adjustments—men specially trained, sometimes brilliant, too long attached to the drafting board to fare easily or successfully in other fields. For them the outlook is desperate.

To this condition the architectural profession as a whole has been commendably alert. For, whatever their shilly-shallyings in other matters, architects have always been truly professional in cooperating for their common good. Always ready to help each other in normal times, in this emergency of unemployment, perhaps the worst that has ever overtaken a similar body of men, architects have done everything possible to ease the situation for unfortunate fellow-craftsmen.

Little material help could be expected from the American Institute of Architects, the central professional organization. It was always poor, and much of its limited capital was tied up for special purposes. Moreover, the emergency

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

itself still further impoverished it through non-payment of dues. Financial aid had to be organized locally; the best the institute could hope to do was to assist cooperation between groups in various localities, act as a clearing house for information as to what was being done, and be on the watch in Washington to see that architects received their just share of any federal building program.

Various localities have done different things. A Boston group was the earliest to be organized; a New York group was formed in November, 1930. The New York organization is typical; other local organizations have often followed its example. It is called the Architects' Emergency Committee for the Region of New York, which includes, roughly, the region within a radius of fifty miles and was originally made up of one member from each of the architectural societies in the area and two representing the architectural press. The Architectural League gave it free office space, and it has one salaried employee, its executive secretary. All other clerical and office work is done by unemployed architects and paid for at the regular relief rates of $5 a day. Its money has come from personal and organization gifts; and much of it from a busy and imaginative Women's Auxiliary, which has raised substantial sums through fairs, expeditions to famous private houses, exhibitions, teas, and so on. Altogether some $100,000 has been raised.

The office expense has been low. The money has been mainly spent in the following ways: Prizes for monthly competitions open only to the unemployed; direct relief—only in the most urgent cases, and for small sums of from $25 to $100; emergency salaries—the usual $5 a day, three days a week, for men employed on "made work." Altogether, the committee has registered about 3,000 unemployed. It has found private employment for 522, in many cases of a non-architectural nature—chauffeuring, tutoring, taking care of boys, and so on; it has cooperated closely with the Emergency Work Bureau (the Gibson Committee) and placed 663 men on their pay roll; and it has itself employed some 655. The "made work" done by these 1,300-odd men has been varied, often interesting, and much of it extremely valuable. They have worked on housing and traffic surveys for the State Housing Board. They have helped in the Columbia University Energy Survey of the United States. They have done research work and made drawings for articles in the architectural press. Some are making models of historic American buildings for museum use; and a staff is at work preparing measured drawings for a standard work on famous colonial houses, the proceeds of which will go to the committee. Some have even been employed in city departments, notably the Manhattan Bureau of Buildings and the Board of Standards and Appeals, to assist in repairing, rearranging, and checking valuable records.

All this is work of genuine public usefulness, and the committee deserves great credit for choosing its projects so wisely and for avoiding the real danger of having its men, who are paid at best a pittance, used for private gain. Yet, important as the work is, it has been possible to find employment only for slightly more than half of those registered. There are, moreover, in the committee's very achievements, necessary as they are, the seeds of future danger—the danger of the $5 wage, and of a kind of pauperizing of such social bodies as the boards of trade, colleges and universities, and housing boards, which have obtained this labor for nothing.

For three years this free labor has been available; the committee is only too glad to find places where it may "legitimately" be used. And three years is long enough to establish a habit. Even in private work the knowledge is getting about that trained draftsmen are being paid—by the architects' committee itself—$5 a day and $15 a week. A wealthy woman who wished some alterations in her house and applied to the committee was surprised and enraged to learn that she would have to pay more; that the $5 wage applied to emergency work only. And when architects become busy again, will they be able to forget that draftsmen existed on $15 a week? For the draftsman will be in no position to bargain for a long time to come, and the spirit of many is already broken.

Another interesting phase is worth consideration—the effect of the depression on architectural style and on professional standing. About the first it is difficult to generalize, but "playing safe" in design seems increasingly a phenomenon of the depression—witness the greater part of government work, especially in Washington. And where the work is consciously an innovation, as in the World's Fair buildings in Chicago, the style becomes often merely eccentric, extravagant, so entirely divorced from the great architectural problems of plan, material, use, and proportion as to be almost without architectural meaning. Now both of these developments—the joyless conservatism of, say, the Department of Commerce Building in Washington, and the mad and almost planless extravaganza of Chicago—are symptoms, at heart, of exhaustion and despair. They are both escape phenomena, flights from the realities of today. Out of neither can a living style develop. Is it far-fetched to find in the chaos of the depression, in the haunting and all-pervasive sense of insecurity and doubt, in the actual terror of destitution which these last three years have brought to the architects especially, at least a partial reason for this search for escape? Virginia Woolf, in "A Room of One's Own," was right—precious little great art has grown out of poverty and fear.

The other great effect of the depression on architects contains the only bright element in the situation. The depression has made many architects think with a new seriousness about their professional position and its relation to the whole sociological and economic present. During boom years, architects, particularly in the larger offices, became imbued with the psychology of their clients. All the Hooverian dogmas of individualism, salesmanship, profit-making, were swallowed unquestioningly. Architectural magazines were full of articles on the money-making side of the profession; the architect was often a promoter and a business man rather than a designer. As he became immersed in financial schemes and details, his professional position was weakened; the architect was merely one of several cogs in the machine of corporate and individual profit chasing. Then came the falling off in investment building between 1928 and 1929 and the stock-market crash; and one after another the great hotels and office buildings paraded into bankruptcy and foreclosure. The profit chasers sought other fields; the architect was forgotten. He learned bitterly of the gratitude of wealth, and all his grandiose promotion schemes vanished. Out of it all he found he had won only small pay, worry, and a loss of professional prestige.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the enforced leisure of the depression, the architect has begun to think of the value of his training to society as a whole; he has begun to apply his creative talent to housing, to city planning, to the problems of social recreation. A vision is growing of the high destiny of the architectural profession; and after the fever of his plunge into high finance, the architect finds that vision healthy and sane. In many cases the architect is beginning to examine with a new interest and a new point of view the whole economic basis of life; he is beginning to realize how deeply the great dilemmas of poverty and wealth are implicated in his work. If, when he finds work again, he remembers the thoughts of these lean years, we may look forward to a profession of great influence, high standards, greater professional dignity, and a more noble purpose.

[*This is the first of a series of articles on the effects of the depression in the various professions. In the next issue, Eunice Langdon will deal with the school teacher, and in the issue thereafter W. B. Thomas will discuss the plight of the university and college instructor.* The Nation *will be glad to receive letters from professional people or their families telling how they have met the depression thus far, and what they consider the prospects for the coming winter.*]

Russia's Last Hard Year

By LOUIS FISCHER

Moscow, July 12

WHEN all the world was struggling in the throes of capitalism's worst depression, the Soviet Union was experiencing the construction boom of the first Five-Year Plan. That was its period of inflation. Now the Western nations are flirting with inflation. Russia, in contradiction, is entering upon her deflationist stage. This means that new building projects are fewer, money is scarcer, prices are lower, goods are more plentiful, and individual prosperity is "just around the corner." 1933, according to the official version, will be the U. S. S. R.'s "last difficult year." I hope so.

The first half of 1933 was very difficult indeed. Many people simply did not have sufficient nourishment. The 1932 harvest was bad, and to make matters worse, thousands of tons of grain rotted in the fields because the peasants refused to reap what they knew the government would confiscate under the polite guise of "collections." These circumstances and the necessity of maintaining a large military reserve for any eventuality in the Far East reduced food reserves to an uncomfortable minimum. Human resistance to disease is consequently very low. Passportization, designed to relieve woeful congestion in the cities, achieved some results but served chiefly to add mental anguish to material distress.

It is an interesting commentary on Russian psychology and a tremendous tribute to the Communist Party's talents for organization that these trying conditions were not permitted to ruin the spring sowing. The Bolsheviks, thanks to their vast energy, strict discipline, and centralized control, accomplished the incredible when they marched the peasantry through a successful planting season. The abolition of collections and the introduction of the grain tax revived some of the village's drooping faith and facilitated the Kremlin's drive. Today, accordingly, harvest prospects seem to be extremely bright. And a good crop in Russia covers a multitude of past mistakes. The peasantry has learned a terrible lesson and is not likely to refuse in the near future to gather in the last sheaf of grain. The experience of 1932 has probably also contributed to the government's education. It cannot with impunity kill the peasant's initiative by taking too much of his yield.

Harvesting has already commenced in the Northern Caucasus, the Central Volga district, and Southern Ukraine. In one collective in the Odessa district, according to a press report, the crop is so big that each member of the artel may receive no less than 18,000 pounds of grain for his year's work and for disposal as he sees fit. "But how is it possible to distribute so much among the peasants?" the Communist leaders of the collective asked, and decided that they would "persuade" the happy mujiks to show their devotion by "offering" the state more than it requires them to pay in taxes. This demonstration of excessive zeal, *Pravda* states, has been rigorously suppressed. Last year it would have been lauded as an example for all others to follow. Now the authorities insist that the collectivists retain everything over and beyond the single grain tax. Should their share be large, the members of the kolhoz will grow rich. Did not Stalin promise recently that "the collectivized peasants must soon become well-to-do"?

If village administrators afflicted with "childish leftism" do not antagonize the peasants, if the peasants get enough help from the cities for the harvesting of the crop, if the weather does not play some cruel pranks, if the lifting of the British embargo does not stimulate the export of too much butter, poultry, eggs, and so on—these are big ifs—the Soviet food problem may be solved in a month or two. This will constitute a long step towards the stabilization, at least, of the peasant problem. No such stabilization was possible earlier. During the first Five-Year Plan the Bolsheviks had to rob the village in order to feed the growing city which was not paying its way. If they had allowed the collectives to keep more of their grain they could not have exchanged it for manufactured commodities anyway; those commodities were not available—the emphasis of 1929-32 was on new factories and not on shirts and shoes. Today, however, the supply of city goods has taken a sharp leap upwards. The investment of the first Piatiletka is beginning to yield dividends. This is the most striking change of the last six months. The trickle of consumers' goods which I noticed in Ukrainian villages in October, 1932, has now become a sizable stream. In Moscow, to a lesser extent in other cities, but to a considerable degree in rural districts, one can buy without any rationing or cards or special "pull," beds, other furniture, soap, underwear, shoes, cotton goods, stockings, thread, buttons, bottles, china ware, cooking utensils, and many other household articles. Their quality, need-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

less to say, is bad, but a year ago they could scarcely be obtained at all.

This favorable development has an adverse side. The new manufactured commodities go to those who can pay the high prices. Since ordinary cooperative stores are poorly stocked and good closed-factory cooperatives are few in number, those citizens who have gold or foreign currency or many rubles can buy most of what they need, and those not so fortunate do without. But this is not exactly socialism. When the pressing scarcity of necessities shall have been eliminated, the Bolsheviks will still be faced with the problem of devising a more equitable system of distribution. It is distribution, more even than production, that determines the character of a society.

Meanwhile, socialist industry is making great strides. In 1924, there were 24,000 automobiles and trucks in all of the Soviet Union. During the first six months of 1933, the Amo factory in Moscow, the new Nizhni Novgorod plant, and the Yaroslav plant for five-ton trucks together produced 21,101 passenger machines and trucks. In addition, Kharkov, Stalingrad, and Cheliabinsk turned out 33,031 tractors. The output of coal, steel, pig iron, agricultural combines, synthetic rubber, chemicals, and of dozens of machines not previously made in Russia has risen to unprecedented heights, although Magnitogorsk, the most gigantic "giant" of the Five-Year Plan, is not yet operating smoothly, and other big units are still suffering from "infantile diseases." Questions of quality and cost of production continue to worry the Kremlin, and the shortage of skilled labor has not been alleviated by deflation or passportization. Despite the drop in big-scale construction, many factories, railroads, homes, and roads are being built, and the use of youthful, unskilled peasants at tasks which I have observed, the difficulty of finding workers to put finishing touches on our new apartment, as well as intensive inquiries among my friends and acquaintances, lead me to the conclusion that recent economic changes have not resulted in any unemployment. A person who wants a job can get it even in overcrowded Moscow, and certainly in the provinces.

With very little ado and practically no press comment, an edict has merged the Commissariat of Labor into the All-Soviet Trade Unions, so that control of the many-billion-ruble social-insurance fund, the sanatoria, rest homes, all workers' medical services, and the protection of labor passes from the hands of the government to the trade unions. Thus, formally at least, the process by which, under socialism, the state dies a slow death through attrition has advanced another step. Back in 1920, Trotzky advocated a reverse development: the suppression of the unions and the organization of official labor battalions. Nevertheless, as usual, some foreign observers have styled the recent Soviet decree a "Trotzkyist move." Professional anti-Trotzkyists, on the other hand, viewing the 1920 Lenin-Trotzky trade-union controversy in the new light of Italian and German fascism, find ideological points of contact between the Duce, Hitler, and the sage of Prinkipo. While these salon polemics rage, we shall wait to see whether the latest change which gives the unions broader functions also gives them greater independence.

Akulov, an old Bolshevik and former associate of Lenin, has been appointed Attorney-General of the Soviet Union. This is a new office. Previously, the separate Soviet republics had procurators but the federal government did not. The attorney-general has been granted very wide prerogatives. He is to be responsible for the observance of laws, decrees, and the constitution by Soviet departments; he is to see that Soviet courts apply the law correctly and uniformly. He may enter a protest against any legal sentence and stop its execution. But the most surprising of Akulov's functions is his right to watch over the activities of the G. P. U. One of the attorney-general's duties is "the supervision . . . of the legality and regularity of the G. P. U.'s acts." Two years ago, Akulov was appointed vice-president of the G. P. U. As such he actually superseded Yagoda, the active head of that organization, and became the chief of the institution. Apparently, however, friction developed between him and the permanent officials, and before long the newcomer with a penchant for reform was removed and sent to a rather inferior post in the Donetz coal basin. In this light, Akulov's promotion and his new relationship vis-a-vis the G. P. U. take on special significance. They would seem to reflect a desire on the part of those responsible for the appointment to have a more direct check on the work of the G. P. U., and perhaps, also, to modify its psychology.

Somebody said to me the other day: "Stalin is like a mountain with a head on it. He cannot be moved. But he thinks." His power and influence are greater now than ever, which is saying a great deal. He inspires the party with his will power and calm. Individuals in contact with him admire his capacity to listen and his skill in improving on the suggestions and drafts of highly intelligent subordinates. There is no doubt that his determination and wisdom have been important assets in the struggles of the last few years. But this in no way justifies the daily reams of Oriental praise which the press and Soviet organizations lavish on him. Though it seemed scarcely possible, that adulation has grown even more sentimental and saccharine in the past year.

Strange as it may seem to one arriving in Moscow from the Western world, the Bolsheviks are still obsessed by the fear of imminent war on the Soviet Union. Sometimes I suspect that the agitation about intervention is either for home, or for foreign Communist, consumption. And yet I know that any number of important Bolsheviks sincerely believe the bourgeois states are preparing to invade the U. S. S. R. in the near future. Such thoughts, I am persuaded, are unrealistic. War in Eurasia, to be sure, is a daily possibility. Nor can one easily overestimate the anti-Soviet wishes of the German, British, Japanese, and other governments. Nevertheless, there is considerable guaranty of peace in the new and selfish friendship of Poland and France for Moscow and in Japan's preoccupation in China. I am disposed to think that the direction of Nipponese expansion will be southward toward the Yangtze rather than north and east into Siberia or Outer Mongolia. Of course, this may change any day, and one cannot, therefore, criticize the Kremlin for maintaining a tremendous military establishment in the Soviet east. I see no immediate war danger, however, and I believe the Bolsheviks should not allow themselves to live in eternal dread of foreign aggression. It is bad for the nerves and it distorts policy.

The very marked improvement of Russia's relations with Paris and Warsaw should have a sobering effect on

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Japan. Litvinov has become a collector of pacts, and some of them are not mere scraps of paper, for they register real changes of feeling in bourgeois countries and in Moscow too. His latest convention with the Soviets' eight neighbors, significantly including Rumania, and with the other two states of the Little Entente, gives the world its first concrete and documented definition of an aggressor and should make the foreign commissar a powerful contender for the Nobel Peace Prize. I should not be surprised if he got it and accepted it. Like Karl Radek's visit to Warsaw on the invitation of the editor of Pilsudski's party organ and like Litvinov's stay in Paris as guest of the French government, the conferring of such a prize would proclaim to all that the new era of peaceful coexistence between the capitalist and communist systems has become an established international fact which bodes no ill for the bourgeoisie.

The Random Satire of George S. Kaufman

By JOSEPH WOOD KRUTCH

DURING a period of fifteen years George S. Kaufman, the most indefatigable collaborator of our theater, has had a hand in more than twenty plays—from "Someone in the House," which he wrote with Jacques Duval in 1918, to "Dinner at Eight," which he and Miss Edna Ferber started on its triumphal career last fall. "Dulcy," the first of his outstanding successes, was written with Marc Connelly in 1921 and with Mr. Connelly he has since worked on other plays, but the list of his collaborators is almost as long as the list of his plays and it includes, besides those already mentioned, Ring Lardner, Moss Hart, Alexander Woollcott, and Morrie Ryskind.

Even more striking than this persistent habit of collaboration is the fact that his fellow-worker often seems to set the tone of the piece. Thus "Beggar on Horseback," that delightful dream play of the composer who almost married into Big Business, is obviously dominated by the delicate fantasy of Marc Connelly. On the other hand the tone of "The Royal Family" and "Dinner at Eight" clearly results from the bravura touch of Miss Ferber, while "The Channel Road" is equally clearly the product of Mr. Woollcott's reminiscent sentiment.

Indeed, it is sometimes possible to separate out certain passages in some of the plays which seem to belong so wholly to the collaborator that Mr. Kaufman can have had little or nothing to do with the writing of them. Thus there can be, for example, little doubt that the fine prologue to "June Moon" belongs almost exclusively to Mr. Lardner whose flare for the grotesqueries of the urban clodhopper is evident in almost every speech. Only he could have written the curtain line which makes the embryo song writer say to the girl whom he has picked up on the train and invited to dinner, "Well I guess we can spare sixty cents apiece." Only he could have opened up the depths into which he invites us to peer when this same song writer remarks, "You don't need to be scared of me, girlie, I treat all women like they was my sister. Till I find out different." And only he could have written a passage like the following from the same scene:

> And he said a man like I with the song-writing gift was a sucker not to go to New York, because that's where they have a Mecca for a man if you got the song-writing gift. So he give me a letter to the Friars Club, asking them to give me a two weeks card, they call it. The Friars Club is where they have the Mecca for song writers.

Under the circumstances it might seem that Mr. Kaufman had hardly earned the right to be considered an independent dramatist. He has, I believe, written only one play by himself and, if a biological metaphor be permitted, it appears that his own characteristics are "recessive" rather than "dominant." Yet the fact remains that no name carries more respect in theatrical circles than his and that he is, as a matter of fact, far better known as a dramatist than some of those with whom he has worked. His collaboration is believed to spell success and this fact is, no doubt, due in part to his skill in handling the conventional machinery of dramatic construction. Yet it would be a mistake to suppose that he contributes nothing else or that his writing has no character of its own. Nearly every play upon which he has worked is studded with passages obviously his and they are all characterized by the same quality—namely a sparkling wit of a peculiarly local kind.

Drawing by Georges Schreiber

George S. Kaufman

This wit is not, like that of S. N. Behrman, essentially literary and timeless. Neither is it, like the wit of Mr. Lardner, the result of an imaginative penetration into the psychology of a stratum of humanity definitely below his own. It is, on the contrary, always the comment of Mr. Kaufman himself upon some event in the play or some happening in the passing show of the moment. Most of his best lines might easily be transplanted from one play to another. Many of them have nothing except their unusual felicity to distinguish them from countless other lines of similar sort and one often recognizes them as his, not because they are different from, but simply because they are better than, those written by various other contributors to the current stage. Essentially they

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

are what we have learned to call "wisecracks" and Mr. Kaufman is essentially the best wisecracker that Broadway has produced—the acknowledged master of its phraseology and attitude.

Long before the theater had ever heard of him, Mr. Kaufman was a newspaper columnist—first on the Washington *Times* and then on the New York *Mail* (1914-15). Then he passed on to the dramatic departments, first of the New York *Tribune,* then of the *Times,* and doubtless it was thus that he made the transition from journalism to the stage. But the significant fact is that he has remained essentially the "columnist"—one, that is to say, whose chief business it is to make brief random comments upon a thousand things. Members of the columnist's profession are not required to develop a philosophy or to have anything independent to say. They are supposed to sparkle a dozen times a day, not to throw the steady light of sustained criticism upon life or society as a whole, and it is the exception when one is found who has developed a consistent point of view. Certainly Mr. Kaufman, for all his brilliance, has not. He has said a hundred witty things; he is certainly on the side of good sense; yet it would be very difficult after reading his twenty-odd plays to say that they tend in any direction. One knows what Mr. Lardner or Mr. Behrman stands for. The quality of each is as definite almost as the quality of Eugene O'Neill. But in the case of Mr. Kaufman one cannot be sure of anything—except that one is almost certain to be amused.

Open almost any one of his plays at random and you are pretty sure to run across something like the following bit of dialogue from "Dulcy," which I quote, not because it is better than dozens of others, but because it is typical and especially because, having been timely when it was written during the depression of 1921, it has come around to being timely again. Gordon, a pompous business man, is greeting a flippant gentleman who happens to be called Bill but might very well be called George S. Kaufman instead:

> GORDON: I say, how's business?
>
> BILL: Haven't you heard?
>
> GORDON (a bit cheery): Oh, I don't know. I have an idea it may pick up presently.
>
> BILL: You've been reading Mr. Schwab. "Steel Man Sees Era of Profits."
>
> GORDON: Well—I think he's right at that.
>
> BILL: Yes. . . . Rockefeller expects to break even this year, too.
>
> GORDON: Just the same I look for improvement. (Earnestly) Bill, if it could just be arranged that all the outstanding accounts could be absorbed by the banks, and then turn those accounts into payable—
>
> BILL: I know. You mean—things would be better if we weren't all broke.

That is George Kaufman at his most typical.

Reviewers commonly greet Mr. Kaufman's plays with understandable enthusiasm. Occasionally, however, they temper their praise by complaining of a certain lack of substance. The play, they say, too often goes out like a spent sky-rocket, leaving nothing behind except the memory of an all too brief, not too significant splendor. Nor can there be any doubt that the complaint is well founded or that—especially in those plays where the general scheme has not obviously been contributed by a coauthor—the plot is both thin and conventional. Consider, for example, four of his most characteristic and successful pieces: "To the Ladies" (1922); "The Butter and Egg Man" (1925); "June Moon" (1929); and "Once in a Lifetime" (1930). Such plot as each has is simply a variant of the same perversion of the Cinderella story. In each, that is to say, the hero is a grossly incompetent boob of one sort or another, and in each case he blunders into a not very credible success. In the first—and to my mind most wholly unconvincing—he is a small clerk whose clever wife helps him to make an impression on the boss. In the second he is an incredibly naive youth from the provinces who makes a miraculous hit as a theatrical "angel" despite all the wise guys preparing to fleece him; in the third, he is a simple-minded vulgarian who writes a song hit; in the fourth, he is a second-rate vaudeville actor who sells himself so successfully to the bewildered magnates of the new talking films that they make him a director only to discover that the film he has turned out is so bad that the critics all hail it as the work of a new and masterly technician. His passion for eating nuts has resulted in a constant tattoo accompanying the dialogue and his forgetfulness about ordering the lights to be turned on has had the natural result of enveloping many important scenes in an all but impenetrable obscurity. Nevertheless—while in full flight from the scene—he discovers from the reviews that all is well. The cracking of the nuts is interpreted as a technical invention comparable to the drum in "The Emperor Jones" and in the words of one reviewer: "The lighting of the picture is superb. Dr. Lewis has wisely seen the value of leaving the climaxes to the imagination of the audience. In the big scenes almost nothing is visible."

Despite the rather silly extravagance of such an incident as this and despite the plain sentimentality mixed in with "The Butter and Egg Man" and "To the Ladies," all these plays are rich with stretches of dialogue and touches of characterization which are amazingly shrewd and telling. Mr. Kaufman's comments are, in other words, on an entirely different level from that of the action itself and he displays in them an intelligence which the main outline would certainly offend if he considered that outline as more than a necessary evil. He can write a satire called "The Tangled Wildwood," of the John Golden-Winchell Smith school of popular drama, but he can descend to the same level himself, and in either "June Moon" or "The Butter and Egg Man" produce something which is perilously close to a simple-minded success story of the same sort.

The conventional explanation for this phenomenon is that Mr. Kaufman knows the weakness of the popular taste and has not had any scruples about giving his audience the sop it demands. Once when he was asked why he did not consistently write satire instead of mere popular entertainment with a satiric flavor, he is said to have replied: "Satire is what closes Saturday night." The remark is first-rate Broadway and has been accepted as a genuine explanation but I venture to say that it is not, at best, more than a witty rationalization. Mr. Kaufman does not write consistent satire chiefly because he has never taken the trouble to consider just what such satire would be.

Short flights of wit and shrewd touches of character are not enough to make a play. It has to be held together by a plot and a plot must tend somewhere. But Mr. Kaufman, being primarily a wit, does not know how to make a plot or even, perhaps, in just what direction he would want it to tend even if he could make one. Famous for his conversation, he is the author of half of the *obiter dicta* and bits of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

repartee quoted on Broadway. But his forte is what is known in the language of the moment as "a good comeback" and the good comeback is something arising out of the moment for the moment. It implies, perhaps, a philosophy in solution, but it does not imply a consistently formulated attitude and it is quite compatible with a complete inability to expand any further the criticism which it suggests. Mr. Kaufman, therefore, must borrow his plots, and he naturally borrows those which are nearest to hand. He gives his plays a conventionally sentimental ending because that is the way these plots have always ended before, and also, perhaps, because he has never explored his own mind thoroughly enough to know what sort of ending would actually be consistent with the tone which the dialogue consistently implies.

Eight years ago Montrose Moses wrote in "The American Dramatist": "The flare of George Kaufman and Marc Connelly in 'Dulcy' and 'To the Ladies' has almost a Gilbertian value to it. They could give us an American libretto as fresh as 'Patience' and 'The Mikado'." This prophecy was fulfilled when Kaufman and Ryskind wrote "Of Thee I Sing"—certainly the best satiric extravaganza of its kind ever written here. Unfortunately, however, there is no convincing proof that Mr. Kaufman is determined to realize the potentialities suggested by his best work or that he is other than satisfied with the popular and financial success which comes to him so easily. His latest work, "Dinner at Eight," obviously belongs in its general conception to Miss Ferber. Certainly nothing in its romantically melodramatic thesis bears any relation to the mocking spirit of his wit, and Mr. Kaufman's hand is apparent chiefly in a few epigrams which here and there brighten the scenes without having any organic relation to the whole.

Mr. Kaufman is forty-four years old and the discouraging thing is that the twelve years since "Dulcy" have seen little if any development in the direction one would like to see him take. He has learned, perhaps, how to adapt himself to the requirements of almost any style which his collaborator chooses to adopt and there has certainly been no diminution in the brightness of his lines. But there has been no tendency for his wit to evolve into a philosophy or for his satire to be other than a succession of potshots which bring down a good deal of miscellaneous game but continue to give the impression that they are too random to be very effective. The plays are fun for him and fun for his audience. They pay such large returns in money and popularity that it is, perhaps, too much to ask that he should run the risk of writing something which "closes Saturday night." Yet one cannot but fear that if he does not begin to take the risk the final result will be several scores of plays of which history will be able to say no more than that they show how a talent wasted itself in doing things which it found all too easy to do.

[*This is the second of a series of four articles on American dramatists. The third will appear soon.*]

Refugees from Oppression

By ROSIKA SCHWIMMER

As a child I was once an unwilling witness of a horrible spectacle in the corridor of the inspector's house on my father's estate. Some peasant boys threw kerosene over a mouse in a trap and set a match to it as they opened the trap. The wretched creature scurried around in the closed corridor, insane with pain. That vile picture is haunting me again when I think of the hundreds of thousands of Germans—Jews, pacifists, liberals, Socialists, and Communists—trapped and kerosened by a Neroesque pervert who has usurped the power in a civilized land.

Of all the cruelties which sections of human society have inflicted on other sections the present German outrage seems the most intolerable. Unspeakable as it is, however, we must not forget that it has had its counterparts all through history. We are more excited about it because it crashed down on us when the world was so overburdened with trouble that it seemed impossible to endure any more. What we face now is Hitler's cold-blooded elaboration on the technique employed against non-conformists in the past by powerful religious, social, political, and economic bigots.

The world-wide demonstrations of sorrow and protest against Hitlerism have been directed chiefly at its anti-Semitic manifestations, and the far more numerous non-Jewish victims have not received their share of sympathy. International relief, too, has been chiefly planned to ease the ghastly situation of the Jews, little organized attempt having been made as yet to assist those persecuted for political rather than racial reasons. To the outstanding individuals in their ranks help has been offered from official and private sources, but the tens of thousands of obscure sufferers are as neglected as the victims of other post-war dictatorships—the Russian, the Hungarian, the Italian, or the Latin American.

The acute suffering of the German victims throws a sharp light on a chronic international problem that cannot be ignored any longer. Present-day dictatorships, following the ancient custom of dealing with non-conformists, have sent hundreds of thousands of persons begging for shelter in foreign countries, at a time when no country can afford to be as hospitable as humane considerations would require. Other hundreds of thousands of men, women, and children, of many nationalities, were deprived of their citizenship rights in the country of their birth and ancestry by the World War. Still others, also numbering hundreds of thousands, lost their citizenship through the technical intricacies of the treaties which defamed the word peace. At the same time, national problems, the political and economic consequences of the World War, became so engrossing that people lost sight of the crushing burdens the exiled groups and individuals had to carry. Nationalism reached the point of insanity in many countries, and the stateless, fleeing for life, were regarded as a human pest wherever they turned up.

The problem of the stateless has been summarized in a pamphlet by Mrs. Anna Aszkanazy of Vienna, an indefatigable worker for world citizenship. She says:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> To be stateless means death by starvation, for the stateless cannot secure work anywhere without permission of the authorities. The authorities rarely grant this permission on the ground that hundreds of thousands of their own subjects are without work. Nor can the stateless enjoy the government institutions for the unemployed. He has no consular protection anywhere. He cannot get a passport or visa, and on the other hand he may be expelled from a country at any time without reason.

Various futile attempts have been made to give to people without nationality a legal status, as the first requirement to enable these unfortunates to live a normal life. In 1922 a congress of the Succession States (formerly the component parts of Austria-Hungary) was called at Rome to solve the question of the stateless. The League of Nations Union has held conferences, drawn resolutions, urged the League of Nations to act. The International Law Association, the Harvard Law School, the French and the German League for Human Rights, the Women's International League for Peace and Freedom, the Quakers, and many other organizations have exerted themselves—all in vain. The League of Nations, satisfied with its Nansen committee, initiated by the great humanitarian scientist for the protection of Armenian and Russian political refugees, remained cold to every proposal going beyond the Nansen proteges. A disinterested worker referring to the League wrote in a report:

> While they work for the Nansen proteges, they do not want to have anything to do with the political émigrés. As far as I could observe in Geneva, the League people are mostly of a reactionary mind and the political émigrés are for the greater part liberals and Socialists. The standpoint of the League of Nations is therefore easily to be understood.

It has been authoritatively stated that even timid attempts on the part of the League to deal with the question of broadening the scope of the Nansen passport have been opposed by Italy, Hungary, and Rumania. Equally sterile were the efforts made at the first Conference for the Codification of International Law held at The Hague in 1930.

Since Hitler's accession to power, organizations interested in world citizenship have renewed their efforts, but meanwhile the question has become more complicated. Conditions in Germany have aggravated an intolerable situation, not only by making hundreds of thousands of new victims, but also in another respect. It is at this point that the problem of the stateless merges in a larger general problem. There are very serious and growing indications that even the most civilized countries may not be safe against fascist outbreaks within their own boundaries. Denmark and Sweden have Socialist governments; Norway has a liberal, Holland a decent conservative regime. In all these countries we hear that reactionary parties may seize the power at the next elections if economic conditions do not improve. And in chorus the friends of civilization and reason ask desperately: "How can we improve conditions, how can we provide work for the unemployed millions?" In Austria, in Switzerland, in the Balkan countries, the same despair, the same dread. Chaos impends, with untold added suffering ahead of us, unless the situation is met internationally, radically, and at once.

The millions of stateless people deprived of their most elementary rights need a legal status. Hitherto the chief obstacle has been that countries which would receive them could not provide economic security. But now the safety of those countries themselves depends on their ability to provide work and wages for their own population. That requires international economic planning, and its accomplishment will automatically solve the economic problem of the stateless. It will permit all human beings to consider the world their home again, wherever they may choose to settle.

In the Driftway

SOMEWHERE lately the Drifter found among those newspaper fillers that crop up on newsless Monday mornings an item from some Middle Western State which told how many millions of dollars are willed away each year by persons who have nothing, and named the sum of public money which has to be spent in executing these bequests and discovering their worthlessness. No doubt the story could be duplicated in every State in the Union, and every country in the world. Making a will is one of the simplest and most satisfying of all gestures. It costs nothing—a hobo in a box-car can write one provided he can find a scrap of paper, a pencil, and a smooth rail bed; it provides the opportunity for a last word, for a final assertion of power over life before death closes in; and the state cannot prosecute a dead man even if he gives away money he does not own. Will-making, in fact, is a pursuit which the penniless man will find even pleasanter than the rich. The rich man very likely has worked hard for his millions; to give them away is painful and to that pain must be added the responsibility of distributing his money wisely among people who will use it intelligently. To be sure, he can cut off with a dollar and some scathing remarks any relative he dislikes, and that is something. But for him, making a will is anything but a carefree, happy exercise.

* * * * *

THE poor man, a drifter, for instance, suffers no such limitations. He may have worked even harder than the rich man, but it causes him no pain to make a will, and he need not worry for fear the money will be used unwisely. Being completely disinterested, he can be creative, and his will is much more likely to be an expression of his essential self, which remains the dearest privilege of human beings. Again, his imagination is unstultified by figures in a bank book or the records of a corporation. He can afford to be more generous than the richest man in the world, and he can be sure that his gifts will never quench a young ambition, disfigure a public square, or cause a legal battle to be waged from one year's end to the other.

* * * * *

THE stipulations in a poor man's will seldom cause trouble. Those in the wills of rich men and women almost always cause trouble, and often turn what was a magnificent gesture into a ridiculous example of human fallibility. The Drifter is thinking particularly of a bequest of some $50,000 which some kind lady made to the Art Institute in Chicago early in the present century. The will stipulated that the income from the $50,000 should be used to build and maintain drinking fountains for horses. Such is the hu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

man faith in permanence that it had never crossed the lady's mind that horses, any more than skilled workers, would presently be discarded. But the horse as a form of motive power began slipping soon after the lady died. What was even more disturbing, as the need for horse troughs receded, the capital and income of the bequest, through wise investment, increased at a speed which would have appeared unseemly to both kind ladies and horses in the carriage days. By 1929 the $50,000 had become a quarter of a million and Chicago had reached the saturation point for drinking fountains for horses. Meanwhile the Art Institute was pressed for funds with which to increase its collection. Conceivably, ingenious interpretation of the will might have allowed the purchase of pictures of horses by Rosa Bonheur, but it could scarcely be stretched to include still lifes by Picasso. This particular will has at last been broken, after several attempts, and the institute is free to use the money for other purposes, if it has any left after the crash of 1929 and the legal battles since. The public cost of executing worthless wills may be clear waste. But it is infinitesimal compared with the public cost of litigation over rich men's wills, and perhaps the joy of the populace in writing their last testaments is worth the price—one of those minor circuses that our rulers could abolish only at their own peril. THE DRIFTER

Finance

Taking the Rock Island Investors for a Ride

ALL that has happened to date in the eight-weeks-old bankruptcy of the Chicago, Rock Island and Pacific Railway has emitted the familiar dank odor of banking exploitation of a bankruptcy reorganization which Max Lowenthal reproduced so impressively in his study of the St. Paul receivership. How the interests of bondholders fare in the present setting of another Wall Street coup d'état will provide a real test of the safeguards for railroad security holders set forth in the amendment to the bankruptcy act passed early this year.

When the $550,000,000 Rock Island road passed into bankruptcy on June 7, the direct reason for insolvency was the road's inability to raise $2,259,000 to meet its semi-annual interest requirements. This deficiency occurred despite the fact that the road's net profits, after payment of all interest, amounted to $57,000,000 during the five years ended with 1930, that it had raised $30,000,000 in new funds in 1930, and had obtained loans of $13,700,000 from the Reconstruction Finance Corporation in the subsequent years. With all these large additions to the road's resources, losses of $10,300,000 in 1931 and 1932 were sufficient to exhaust its liquid funds.

The receivership placed in jeopardy a total funded debt with a face value of $313,000,000. Of this, equipment obligations of $34,000,000, the underlying general mortgage 4 per cent bonds amounting to $61,500,000, and similar securities of about $20,000,000 are in a preferred position to pass unscathed through reorganization. Here an interesting point arises. The largest of the Rock Island bond issues is the $104,470,000 first and refunding mortgage 4 per cent bonds, certainly a name to roll impressively on the tongue of the average investor seeking a gilt-edged security. Furthermore, there has clearly been nothing to indicate to the average purchaser, unversed in financial matters, that these bonds, which fall due in April, 1934, are of inferior value to the general mortgage 4's. Yet the general mortgage bonds are backed principally by a first lien on 3,130 miles of road while the first and refunding mortgage bonds have a direct first lien on only 753 miles and a first lien through pledge of capital stock or first mortgage bonds on 537 miles. In addition, the issue has a second lien on 4,482 miles, has a lien on 1,090 miles of leasehold interests and trackage rights, and is secured by deposit of securities with a face value of $96,739,050. However, the real relative values are shown by the current selling price of about 32 for the first and refunding bonds compared with 67 for the general mortgage bonds. Although probably legal, certainly a delusion is successfully effected in selling a security under the paraphernalia of a name indicating a first mortgage which in reality is a secondary lien. As late as January 1931, the first and refunding bonds sold at 99½. In a similar situation are the $40,000,000 secured 4½ per cent bonds while, at the bottom of the Rock Island debt structure, are the $32,000,000 convertible 4½ per cent bonds which are unsecured by any mortgage. These last three bond issues, with a total par value of $176,000,000, descended to a market valuation of $29,000,000 in 1933.

In the face of these obvious testimonials to the financial bungling of the Rock Island management, the road's bankruptcy was barely one month old before machinery was openly under way for a reorganization designed without question to perpetuate the present management and stock control of the road as well as its past banking affiliations. On July 7 the venerable Charles Hayden, holder of seventy-nine directorships in addition to his posts as chairman of the board and chairman of the finance committee of the Rock Island, and veteran of as many operations as his fellow-surgeon, old "Doctor Kuhn, Loeb," announced that pursuant to a resolution of the directors his own firm of Hayden, Stone, and Company, together with the Chase National Bank and Dillon, Read, and Company had "agreed" to serve as joint readjustment managers in the Rock Island reorganization.

The record of the Hayden regime should be enough in itself to arouse skepticism on the part of Rock Island bondholders as to Hayden's preemptive qualifications for conducting the reorganization. But of more direct application to the bondholders' interests is the fact that Hayden and his colleagues while assuming the role of impartial negotiators between the various classes of Rock Island securities, are predominantly and personally interested in the common stock of the road. The Chase, through a nominee, and Hayden, Stone are the second and third largest stockholders, respectively. Dillon, Read has a large indirect interest in the stock through an investment trust under its sponsorship. The Chase also is the largest banking creditor of the Rock Island. The largest stockholder—the St. Louis-San Francisco Railway, also bankrupt—has always worked in closest cooperation with the Hayden regime. Hayden's reorganization group, together with its friendly allies in the 'Frisco, control roughly 40 per cent of the total common stock of the Rock Island.

If any real meaning attaches to the term "bond" as applied to railroad securities sold to investors seeking a safe and secure income in return for purchasing low-interest-bearing issues, then these "bonds" by any standards of financial justice should have full priority at the expense of the capital stock when insolvency necessitates a reorganization. But a direct inkling of how the Hayden group, with its affiliations and pocketbooks bound up in the common stock, would probably like to mete out justice to the Rock Island bondholders is presented by the plan of reorganization for the St. Louis-San Francisco recently propounded by Hayden's confrère, Edward N. Brown, chairman of the 'Frisco and also chairman of the executive committee of the Rock Island. Under this plan, the reorganization would take the form of a moratorium on the road's funded debt and obligations to the Reconstruction Finance Corporation, with no

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

assessment or contribution by the stockholders and with a preferred position for the road's banking creditors. There would be no reduction in the interest and principal requirements responsible for the present bankruptcy, and no readjustment worthy of the name other than a renewed prayer that revenues will increase sufficiently to countenance a debt and capital structure which recent years have shown to be unsound.

The significance of this plan to the Rock Island bondholders is enhanced by the fact that the Hayden readjustment managers have already approached the Reconstruction Finance Corporation with a proposal that their plan of reorganization embodies a consolidation of the Rock Island with the 'Frisco. Rock Island bondholders would be entitled to apprehensive shivers at these familiar signs of interested insiders seizing control of the reorganization. However, stumbling blocks have already appeared which may interfere with a clear road to success for Hayden and his confrères. Their acceptance of the reorganization managership was followed within three days by the announcement of protective committees for the principal bond issues under the sponsorship of insurance companies and banks holding large interests in these securities. While the experience of the past has been that protective committees are all too often stalking horses, protective only of the interests of the banking reorganizers (as in the case of the St. Paul), the pecuniary interests of the institutional bondholders in this instance should strengthen the position of the public bondholders.

But the most vital potential safeguard inheres in the attitude the Interstate Commerce Commission can take towards a reorganization proposal by Hayden's group. Under the terms of the new bankruptcy amendment, the commission must approve any reorganization plan before it is confirmed by the court and, under certain conditions, is empowered to write its own plan of reorganization. In the light of these new powers, considerable significance attaches to the commission's opinion on the Rock Island and 'Frisco directors handed down last August in connection with its investigation of the deals whereby Edward N. Brown, without authority from the directors, committed the Rock Island to a purchase of 25,000 shares of 'Frisco for $1,752,572 and the 'Frisco to a purchase of 25,000 shares of Gulf, Mobile, and Northern for $965,340. The commission cited these transactions as indicative of "the easy manner in which the boards of directors of these railroads bore their responsibilities," and declared that "stockholders have a right to expect competent conduct of corporate affairs. Directors who merely ratify without investigating large transactions engaged in on their behalf without their knowledge, are likely to disappoint such an expectation." Furthermore, in the St. Paul receivership, Commissioner Joseph B. Eastman, now federal coordinator of railroads in addition to his post on the commission, remarked: "The reorganization managers should be wholly impartial and neutral, not affiliated with any group of security holders nor with any particular group of bankers."

In the light of these statements, the manner in which the Rock Island reorganization is worked out should demonstrate conclusively to security holders how much they can expect from the new deal in railroad bankruptcies. The contest will be a sharp one. The Rock Island readjustment managers are old hands at the game. Hayden himself is a veteran of the 1915-1917 bankruptcy of the road. But the Interstate Commerce Commission now has ample power to dictate a plan which will be in the true public interest and which will break the sordid succession of past reorganizations written for the enrichment of the reorganizers, and for the perpetuation and protection of the vested banking and management interests at the expense of innocent investors. The Rock Island bondholders, as well as the general public, have a right to expect that the commission will have the inclination to exercise this power.

PETER HELMOOP NOYES

Contributors to This Issue

HENRY GOLDEY is a member of the New York bar and a student of political economy.

TALBOT FAULKNER HAMLIN, a practicing architect and member of the American Institute of Architects, is the author of "The American Spirit in Architecture" and "The Enjoyment of Architecture."

LOUIS FISCHER, Moscow correspondent of *The Nation*, is the author of "Machines and Men in Russia" and "The Soviets in World Affairs."

ROSIKA SCHWIMMER has been a political refugee from Hungary since 1920 because of her uncompromising pacifism.

CONRAD AIKEN was awarded the Pulitzer prize in 1930 for his "Selected Poems."

HORACE GREGORY is an American poet whose most recent work is a volume of verse entitled "No Retreat."

S. K. RATCLIFFE, British publicist and lecturer, is a regular contributor to the London *Spectator*.

ISIDOR SCHNEIDER is the author of "The Temptation of Anthony."

WILLIAM TROY is a member of the English department of Washington Square College, New York University.

ABRAM L. HARRIS, professor of economics at Howard University, is coauthor with Sterling Spero of "The Black Worker."

BROADUS MITCHELL is associate professor of political economy at Johns Hopkins University.

Why is it that all our first six Presidents were men of exceptional ability and only four of the next twenty-two?

THE PEOPLE'S CHOICE

HERBERT AGAR

A new and liberal interpretation of American history through the lives of our Presidents. The author shows that three forms of democracy have existed in America, of which the worst has triumphed. The result has left us today with the choice between political anarchy and a planned society.

"The People's Choice" is an example of history as it should be written: witty, dramatic, authentic, and of practical value in dealing with today's news.

Illustrated, $3.50

HOUGHTON MIFFLIN COMPANY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Books

Prelude

By CONRAD AIKEN

The miracle said "I" and then was still,
lost in the wing-bright sphere of his own wonder:
as if the river paused to say a river,
or thunder to self said thunder.

As once the voice had spoken, now the mind
uttered itself, and gave itself a name;
and in the instant all was changed, the world
two separate worlds became—

The indivisible unalterably divided;
the rock forever sundered from the eye;
henceforth the lonely self, by self anointed,
hostile to earth and sky.

Alas, good angel, loneliest of heroes!
pity your coward grandsons who become
afraid of loneliness, and long for rock
as children long for home.

On American Literature

American Literature: An Introduction. By Carl Van Doren. United States Library Association. 25 cents.

THIS little volume, barely ninety pages long, might well serve as a model of its kind. Probably no other scholar knows American literature as a whole so thoroughly as Mr. Van Doren does, and no other, therefore, would dare to be as brief as he is. Behind every generalization one feels the authority of an immense, detailed knowledge; behind every specific fact, the exercise of a judgment which has selected that fact, not because it is the one which has come to mind, but because, out of a thousand, it is the fact most significant for the understanding of a man, a book, or a tendency. In its brevity the booklet is an essay, but to call it such would be to carry the term far away from its original significance. There is nothing tentative, experimental, or merely suggestive about these ninety pages. What they contain is neither an impression nor a summary. It is a distillation.

Mr. Van Doren's extensive view sweeps over everything from the first writing done on this continent down to the literature of today. He divides the vast field into five sections called—in accordance with the nature of the influence dominant in each—Colonial, National, Continental, Imperial, and Critical. Yet he actually treats only slightly more than a score of individual writers because, as he says, "In literature the first writers are first and the rest, in the long run, nowhere but in anthologies." Reading him, one does not, therefore, get that sense so commonly conveyed by histories and treatises, that the author is huddling together lists of writers tagged with more or less appropriate epithets, merely because he is desperately afraid of leaving something out. What one does get is, on the contrary, the sense of a panorama in which every really salient figure stands out in its true significance and importance.

The remarkable thing is that for all its scope and brevity Mr. Van Doren's Introduction should remain so specific. It is able to do so because it is everywhere so brilliantly epigrammatic—not always, even not usually, because it is paradoxical, but because so many significant aspects of a given subject are revealed in marvelously condensed but accurate phrases. Of Jonathan Edwards he says: "Whatever icy logic he had on his tongue, he had rapturous prophecy in his heart." And then, of the frenzy which he stirred up in Northampton, "Edwards, the last of the Puritan prophets, was the first of the revivalists." Emily Dickinson "did not so much cut her poems to the bone as leave them as they were without adding the customary flesh. Her work approaches poetry's irreducible minimum, which is poetry's immortal part." Of Sinclair Lewis: "Hating, he pays his villains back with exuberant satire. But his books with their black and white are also hot and cold . . . Arrowsmith, his chief hero, sums up an age. He is not a Faust, the intellectual and moral heir of accumulated centuries. He is an American technician, a bacteriologist who knows little but bacteriology . . . Arrowsmith is a hero for a scientific age . . . A hundred years before Arrowsmith an American hero turned his back on the settlements to live with nature. Leather Stocking repeats himself in Arrowsmith. They are the earliest and the latest heroes for America."

Mr. Van Doren's generalizations concerning traditions and movements are as brilliant as those concerning persons. One of them may be mentioned. It is that literature on this continent was first "news from America" and that Europe, still regarding American literature as that, still refuses to take seriously any American book which is not in some way or another a report on the strange customs of a distant frontier. But it is hardly worth while to go on. The whole of the book may be read in a time comparable to the time required to read a review of it.

JOSEPH WOOD KRUTCH

War-Mad World

The First World War: A Photographic History. Edited by Laurence Stallings. Simon and Schuster. $3.50.

MR. STALLINGS has done an immensely clever job in compressing his pictorial story of the World War into a single volume large in size, but not large in content. The pictures, and the clippings from the press of the various countries which tell this horrible story of a war-mad world, are extraordinarily well chosen, the captions unusually brilliant. It is, moreover, done with complete objectivity. Here we have a history which differentiates not at all between victors and vanquished, but establishes beyond all dispute that the experience of both sides was identical, that the slaughter was as horrible, as inexcusable, and as useless on one side as on the other. If anyone can look through these pages and not feel that the plain people of both sides were crucified needlessly and with fiendish torture, there must be something wrong with him.

Particularly effective is Mr. Stallings's presentation of the criminality of the church. His pictures of the war lords, the generals, and the soldiers invoking the same God in the field and at home, with complete certainty that the Almighty was on their side, is utterly devastating. Can anyone behold these pictures and wonder that the Christian church has steadily lost ground, that it merits in this respect the Russian denunciation of it as the opiate of the people? Similarly well done is his grouping together of our four leading dictators, Stalin, Hitler, Mussolini, and Kemal, as proof of the success of our campaign to make the world safe for democracy.

In his foreword Mr. Stallings says that he will probably be denounced by pacifists for not putting in more horrors and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

by the militarists for not putting in more military matter. That may be, though I doubt the former statement. The book is not nearly as gruesome as "The Horror of It," but it is immensely effective by reason of its restraint, its contrasts, and its telling captions and quotations from contemporary newspapers. It is extraordinarily moving and compelling, and it is literally a volume which should be placed in every household in the United States, certainly in every one in which there is oncoming cannon-fodder for the next wholesale slaughter of humanity, because our so-called statesmen have not the brains or the courage to keep us out of war.

I suppose that there will be violent protests from the army and navy and our patriotic societies against this publication. Only those will oppose it who defend the institution which has rightly been called the "sum of all villainies." We live in a conspiracy to blot out the horrors of the trenches, a conspiracy made possible because, incredible as it seems, men do forget even those horrors. This is demonstrated by the fact that veterans who came back from France swearing to oppose all further wars are now voting for larger armies and navies, and urging complete military preparations for the next struggle. The horrors have faded out of their minds. They find themselves basking in popular and political favor. Their war experience has become their best asset and their stock-in-trade. They are remembering the pleasanter experiences, minimizing the evils, and so helping to prepare the day for another wholesale slaughter. Only among portions of our youth do we find protest. That is the reason why this book ought to be in the hands of every young man. Especially should it be on display in every school, but I venture to prophesy that ninety-nine out of every one hundred of our boards of education will pronounce this volume unfit to be put before the youths who may be the next to pay for the bloodthirstiness of our capitalist civilization.

OSWALD GARRISON VILLARD

Brother to Dr. Munthe

The Arches of the Years. By Halliday Sutherland. William Morrow and Company. $2.75.

THERE is a tradition behind such phenomena as "The Story of San Michele" and the book before me, a good old Victorian tradition now half-forgotten. Turn to the files of *Harper's* magazine, to the dates ranging from 1855 to 1870, and there, between instalments of "Bleak House" or "Little Dorrit," you will find anonymous articles signed by A Physician, A Lady, A Sea Captain. These were extraordinary stories, stories of ghosts, of insane patients, of strange sea-monsters that climbed the forecastle, apparently for no other purpose than to frighten the pious brave sea captain who told the yarn, not forgetting at the close to point a moral, a warning to young men who yearned for like adventure. Often I wondered who these poor hacks were, anonymous sea captains, ladies, doctors. Now I know; they were the ancestors of Dr. Axel Munthe and Halliday Sutherland, who dared not sign their names.

They wrote engaging trash, popular trash in anecdotal form, and the pronoun "I" was used for the conviction of the less sophisticated readers of the magazine. During the past seventy years somehow this type of story—no plot, a mere episode based on current superstition—dropped from the memory of even the brightest magazine editors. The stuff was too naive (thought they) for twentieth century consumption. Meanwhile a huge public starved, a public that went to movies, heard the radio, read the newspapers, went to war, came home again—the vast middle class of England and America. "San Michele" was published, and the flood dams broke. The publishers had been caught napping, had innocently misrepresented the book in their advertisements. What? this collection of stale jokes, dubious yarns, and mild horror stories coated with mid-Victorian sentimentality selling out an entire edition? More editions sold, and more. The public had not read Baron Munchausen, nor the anonymous heroes of old *Harper's;* it was delighted with a flow of anecdote, each episode as causeless, as irresponsible as the stock smoking-car story, but "clean" and moral. All that could be said of Dr. Munthe can be repeated about Dr. Sutherland, his twin brother, a Baron Munchausen, this time in Tam O'Shanter, tweed jacket, and kilts; a dead shot, amateur whaler, bull fighter, attractive to ladies (even those who are insane), a stock-market gambler, naval officer, and, of course, a marvelous physician. Sometimes the stories he tells are too well known, and most of them are very old. The one about the newspaper man who was fired by Lord Northcliffe and then rehired is a classic, and in America its hero is Eugene Field. I for one am ready to bet that Dr. Sutherland has a rich and large practice, for the doctor tells such engaging stories, and if the handsome fellow smiles at a girl, his patient may be assured he means no harm.

HORACE GREGORY

Joseph Chamberlain

The Life of Joseph Chamberlain. Volume Two: 1885-1895. By J. L. Garvin. The Macmillan Company. $5.

IN the first volume of this magniloquent biography Mr. Garvin carried his hero down to the eve of the break with Gladstone over Irish home rule. In 1885 Joseph Chamberlain was in his glory as leader of the new English radicalism, challenging the unique position of Gladstone. In this second volume we follow him through the series of events which culminated in the final defeat of the amazing old man in 1894, and Chamberlain's entry into a Tory cabinet the following year. These were ten years of incessant agitation and embittered conflict, lightened only by the fortunate marriage with Mary Endicott of Salem, who was at that time less than half his own age.

Mr. Garvin's ardent narrative makes clear how little truth there was in the once familiar saying that Chamberlain was a home-ruler before Gladstone. He never came within sight of agreeing with the Irish demand. What he believed in was a federal plan for the British Isles—full self-government for the four countries, and no more independence for Ireland than for Wales. There was, he held, no stopping-place between that kind of solution and the separation of Ireland from England, and nothing today seems more plainly demonstrable than that the virtual separation of 1922 came about mainly because of the refusal in 1886 of parliamentary home rule. Mr. Garvin admits that Chamberlain had no understanding of Irish nationality, and now, at a distance of half a century, we are able to form some estimate of the ruinous results to the British system wrought by the implacable resolve to maintain a union which was by its nature impossible in the modern world.

The feat accomplished by Chamberlain was a most extraordinary example of parliamentary opposition. By his conversion to home rule and his disastrous method of working alone and refusing confidence to his Cabinet, Gladstone outraged large sections of his party. But he set out to convert the electorate, and there can be little doubt that he would have accomplished this within four years but for the personal tragedy of Parnell. That humiliating business destroyed in advance the potential Liberal majority and immensely strengthened the position of Chamberlain, who after the election of 1892 drove hard toward the smashing of Gladstone's second home-rule bill. He was merciless in attack, matching the wonderful old man's defense with untiring persistence and resourcefulness. Needless

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to say, Mr. Garvin makes a resounding story of the events and personalities of this crowded decade. He has a complete mastery of the documents. Every incident and every turn of the conflict is presented with an abundance of detail. No biographer could surpass Mr. Garvin in his special combination of knowledge and sustained enthusiasm. And yet one rises from the reading with a strong feeling that Chamberlain was exerting his remarkable powers for the arresting of a movement which could not fail to work out to an issue which he abhorred, and further, that even as regards the immediate aim of the Unionist Party his terrific energies were spent to little purpose. The Liberals at that time could not have carried home rule for Ireland. Their leader was far too old, their majority in the Commons was meager, and the House of Lords was implacable.

Mr. Garvin makes the entire political and personal tragedy impressively clear. Chamberlain was thoroughly and violently sincere in his hostility to Gladstone and Irish nationalism. He detested Parnell and his party; he loathed the Liberal alliance with them, and in consequence he gave up what looked like the certainty of the Liberal leadership and the premiership. For a short time he held to his radicalism in social policy, but surrender to the Tories could have been avoided only at the cost of giving up public life. Happiness in the Tory camp, however, was not for him. He lost his radical cronies, especially Charles Dilke and John Morley, and thereafter never made a friend in the political world. The facts compel Mr. Garvin to describe a continuous experience of anger and vengeance, of weariness and bitterness of soul. During the forty years of Chamberlain's prominence in the affairs of his country no English politician was more virulently attacked, and not one in the front rank, so far as we are able to tell from the record, gained so small a measure of satisfaction out of his labors and successes. Is it not a fair inference that, considering the issues at stake and the quality of the men opposed to him, he must himself have been in some degree to blame?

S. K. Ratcliffe

Love Life of a Revolutionist

The Romantic Exiles. By Edward Hallett Carr. Frederick A. Stokes and Company. $2.75.

CONTEMPORARY biography is frequently an outright exploitation of its subject. The chosen "hero" is martyrized, baited through several hundred pages merely to displace one prejudice by another, or to entertain a generation that hates and suspects heroes. Why there is such suspicion of great men in our generation is worth thinking about. The reason, I believe, is that, living in a period of disintegration when men in high places are doomed to deceive and disappoint us, we project our experience into the past and feel that, to arrive at the truth, we must dig out the rotten matter in the hero's life.

In "The Romantic Exiles," which has Baron Herzen and his circle for its subject, Mr. Carr quite unscrupulously exploits his characters to make a point about a generation of earlier revolutionists and to amuse his readers. No single statement in the book may be inaccurate; but in his selection of incident, in his emphases, and in his general allusions Mr. Carr gives us falsified portraits of Herzen and his fellow-revolutionaries. That Mr. Carr should do this when Herzen's memoirs are so well known and still so widely read is strange, because one has only to read a dozen pages of Herzen's own words to find Mr. Carr's portraits misleading. Conceited and self-important Herzen certainly exhibits himself to be at times in his memoirs; but instead of the futile romantic that Mr. Carr paints, we face a manly figure, with a strong and capacious mind.

Any judgment of Mr. Carr's book, therefore, involves a careful calculation of values. It is adroitly and smoothly written; it is consistently entertaining; and it spectacularly illuminates the romantic temperament. Do these accomplishments overbalance the disfigurement of character which they cost? Furthermore, Herzen and his circle were revolutionaries and their lives as revolutionaries are especially interesting to us today because we are in a revolutionary era. To have chosen to present them in the role of frustrated lovers is to have chosen the irrelevant. Five years ago the book would have had a place. Today it seems an anachronism.

Had Mr. Carr written his book as a historical novel it would be more understandable, for the two situations upon which the book is mainly based draw in emotional complications that would tempt any novelist. Herzen's marriage was an elopement. The couple pitched their love on a high spiritual plane, a descent from which was in any event inevitable. For several years the marriage was ecstatic. Afterwards, when Herzen in his self-exile became absorbed in his revolutionary activities and the uprooted family was trying to adjust itself in a strange land, Natalie began to look for other interests and, without realizing it, for a new attachment. Very significant was her neurotic affection for a young girl, parting from whom was one of the great wrenches of her life. Later the German revolutionary poet Herwegh entered the household. An affair between Natalie and Herwegh developed. Natalie believed that her love for Herwegh subtracted nothing from her love for Herzen, and in that belief acted frankly. But the affair brought black misery into the lives of the two families. Despite their lofty principles the two men were driven by jealousy into a hatred that survived Natalie's death and kept them in pursuit of each other with attacks and calumnies for years afterwards. Herwegh suffered from jealousy as much as Herzen, and indicted the relations between husband and wife as "prostitution." Herwegh's wife was reduced to the pitiful role of his procuress. During the course of the affair she could hold him in no other way. The matter spread outside the complex family circles, and under the guise of discussions of revolutionary morality became the theme of articles in the radical press. Revolutionists took sides, and much energy was wasted by the partisans of each in devising elaborate provocations and insults.

After Natalie's death, Herzen underwent a painful readjustment. Then the situation, in reverse, reoccurred to him. Another Natalie, the wife of Ogarev, his fellow-editor on the revolutionary journal, the *Voice,* fell in love with Herzen. The love was consummated. Ogarev, a gentle spirit, resisted only in his obvious sufferings. He sickened; a latent epilepsy seized him; he retreated, and after some years found in a London prostitute the one woman who was faithful to him. The affair, however, brought happiness to neither Herzen nor Natalie. Herzen had become hardened by his first disaster, and gave only a minimum of his mind and emotions to the second Natalie, who exhausted herself in the attempt to involve him more deeply. The conflict drove her to neuroticism. In the end she became the butt of a sophisticated daughter, who despised her and committed suicide at eighteen as the outcome of another adulterous affair, leaving a note which intimated that life was so trivial that it was fitting to end it, as a morbid joke upon one's ineffectual friends and parents.

Other affairs and other characters appear in Mr. Carr's pages—among them the virile figure of Bakunin, who becomes in Mr. Carr's treatment the Falstaff of the revolution, and the flashing figures of the terrorists who become criminals rationalizing individual crimes into social necessities. Herzen's repudiation by the new generation of revolutionists is mentioned, but the reasons are not clearly given. An absorbing epoch of revolutionary activity that could be vitally informing to us is thus idly glanced at and ignored, while our attention is diverted

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to trivial love affairs. The book, adroit and smooth and well constructed through it is—a book that some years ago incautious critics might have hailed as a minor classic—has therefore something of the untimely effect of an amusing story told on a grave occasion when a joke becomes an affront.

ISIDOR SCHNEIDER

Mr. O'Flaherty's Development

The Martyr. By Liam O'Flaherty. The Macmillan Company. $2.

TO SAY of Mr. O'Flaherty's new novel that it is the best he has given us in some time is not so much to praise it as to give some encouragement to those of his readers who, more recently, have given him up for lost. To them especially the extent of his productivity in the last five or six years has been a source of deep concern. As late as 1927 it was possible to write an estimate of Mr. O'Flaherty's work from "The Black Soul" to "The Assassin" on the assumption that he was one of the most gifted and serious of the younger British writers. But Mr. O'Flaherty's only response has been to increase the quantity of his output to an average of about two books a year and to decrease its quality, in such works as "Two Years" and "The House of Gold," to the level of the lowest journalism. If Mr. O'Flaherty had set out to betray his talents and the confidence of those who believed in them, he could not have better succeeded. But as this would amount to the worst sort of perversity one must seek a better explanation. And, ignoring possible material motives, one feels oneself on the right track in the reflection that the deterioration of Mr. O'Flaherty's writing has corresponded exactly to the rise of his intense hatred against Ireland and certain Irish institutions.

Over a Norman Irish gateway in Galway, across the bay from Mr. O'Flaherty's native Aran, there is an inscription: "From the Furious O'Flaherties Good Lord Deliver Us." In "The House of Gold" and the more recent "Skerett" Mr. O'Flaherty chose to unleash the ancestral fury against what is the pivotal institution of Irish life and society, the Catholic church. His detestation of the priests has been so great that it has extended by degrees from the parish to the country as a whole. The result is that his versions of contemporary Ireland have had about as much reality as would be supplied by an English member of the A. P. A. society after a tour of the Irish lakes. The effect of his ferocity has been to distort every aspect of whatever subject he treats, even to the physical features of his characters, most of whom are incredibly ill-shapen, ugly, and mean. For this reason his Irish landscapes, human and otherwise, have had a certain nightmarish quality which has been recognizable only to London reviewers. One is reminded of Mr. Yeats's statement last winter, that to write out of hate alone is as bad as to write out of love alone, and that only out of a combination of the two do we get something like the truth.

If Mr. O'Flaherty's new book is so much better it is because the individual passion is subordinated to the dialectic representation of several different attitudes. Like "The Informer" and The Assassin," it returns to the period of the "troubles," and once again the drama comes out of the clash of different points of view toward the ultimate motives and ends of revolution. In one character we have the revolutionist as pure opportunist, the gunman out of employment. In another, we have the familiar type of revolutionist as superman—out of Nietzsche and Dostoevski. And in his hero, Mr. O'Flaherty offers another treatment of the new type of revolutionist that Ireland seems to have thrown up—the mystical. Despite many fluid pages, it must be granted that the type is here much more comprehensible than in Francis Stuart's "The Colored Dome." The struggle between the superman and the mystic ends in the last chapter in a scene which Rebecca West has compared with Goya's "Desastres de la Guerra." This scene cannot be divulged but it is very terrible, unusual, and incredible. It has been praised by William Faulkner and should therefore be pleasing to his admirers as well. But it comes so clearly out of an imagination that is captivated by the sinister and the evil that it leaves us with further and different doubts about Mr. O'Flaherty's development.

WILLIAM TROY

America's Forced Labor

Forced Labor in the United States. By Walter Wilson. International Publishers. $1.50.

Machine Age in the Hills. By Malcolm Ross. The Macmillan Company. $2.

MR. WILSON'S book is a survey of labor coercion in the various forms it assumes in the United States. It depicts the brutalities and the ruthless disregard of human life of the peonage and chain-gang systems of the Southern States; the exploitation of labor in our penal and reform institutions, under yellow-dog contracts, and on public works; and the virtual enslavement and expropriation of colonial labor by American imperialism. These deplorable conditions, especially those connected with the use of prison labor, have been exposed over and over again. Some of these exposures have resulted in significant improvement in the treatment of prisoners and their living conditions. These reforms Mr. Wilson discounts, or rather dismisses. He is not interested in reforming the penal structure of capitalist society. He views all forms of coerced labor in the perspective of Communist propaganda and concludes that they are products of capitalism and its necessary exploitation of human labor. "Wage labor," he tells us, "differs from forced labor not in content but only in form." It is therefore futile to attempt to reform the penal institutions of capitalism. Nothing short of the establishment of a workers' republic such as now exists in Russia will give us the basis for a real change in our methods of handling our prisoners humanely and for rehabilitating them.

The best proof of the futility of penal reform under capitalism Mr. Wilson finds in the persistence of the exceptional cruelties of the Southern chain-gang and peonage systems after repeated exposures and minor reforms. Now it may be good Communist propaganda to identify the exploitation of the black peons of the South as the product of capitalism as Mr. Wilson does, but that does not make his analysis correct. Every student of economic history knows, and Mr. Wilson tacitly admits, that peonage and the chain-gang are modern manifestations of habits nurtured by an agrarian slave economy. To argue otherwise is simply to spout historical nonsense.

Since, according to Mr. Wilson, wage labor and prison labor are but different methods for extracting surplus value from the working class, the only difference that he can find between them is that the latter is performed in a penal institution often under the lash while the former is sold under free contract for what it will fetch in the open market. This is a very big difference and one that no amount of scholastic twisting of Marxian terminologies can conceal. Under free contract the workers are not only free to starve, as Mr. Wilson contends, but also to mobilize their industrial and political power either for immediate economic advances or for the revolutionary objectives of the Communist Party. This freedom, whatever its limitations, makes all the difference between a free man and a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

slave. Of course, Mr. Wilson sees no difference between slavery, serfdom, and the wage system, although Marx who is his authority for the identity between these various systems of labor exploitation saw important practical and theoretical differences between them. For example, Marx explained that

> It is one of the civilizing sides of capital that it enforces this surplus labor in a manner and under conditions which promote the development of the productive forces, of social conditions, and the creation of the elements for a new and higher formation better than did the preceding forms of slavery, serfdom, etc. Thus it leads on the one hand to a stage in which the coercion and the monopolization of the social development (including its material and intellectual advantages) by a portion of society at the expense of the other portion are eliminated; on the other hand it creates the material requirements and the germ of conditions, which make it possible to combine this surplus labor in a higher form of society. . . .

This identity which Mr. Wilson posits between penal labor and wage labor just does not make practical sense, whether we view it from the standpoint of liberal prison reform or from that of revolutionary communism. It merely serves to buttress the real thesis of his book, which is the non-existence of forced labor in the Soviet Union and the superiority of its penal methods and institutions as compared with those of capitalist United States.

Turning now to Mr. Ross's "Machine Age in the Hills" we find that while his economics are not as romantic as Mr. Wilson's his underlying theoretical assumption is about as naive. He attempts to show the effect of improved techniques upon the original simplicity of the mountaineers of Tennessee, West Virginia, and Kentucky.

These people are the descendants of poor white farmers pushed back into the sterile hills and plains by unsuccessful competition with wealthy plantation masters during the days of slavery. Before 1910 most of these simple folk were pocketed in their native hills, content to eke out a crude but comfortable subsistence on their mountain patches. Then came the war-time demand for coal, followed by the penetration of northern capital into the rich coal fields of southern West Virginia and Kentucky. The farm hut disappeared to make room for the miner's shack; timber land and forests receded before the tipple; and self-sufficient peasant farmers were suddenly converted into a landless but high-waged proletariat. The new prosperity brought high pressure salesmen and their wares to be sold on the instalment plan—automobiles, washing machines, radios, and silk shirts. Good times were interrupted by the termination of the war but resumed upon the post-war demand for coal from Italy and France. When this ended, the coal-mining industry in this country, which had been for years in a state of chronic overproduction, was found to be highly overcapitalized. The inevitable collapse threw thousands out of work and reduced the wages of those who continued to work. Prosperity disappeared as suddenly as it had come. Unable to return to the land, since most of it had been leased for a long period or else had been none too scrupulously inclosed, and lacking financial reserves, the miners in the Southern hills have lived in poverty for over eight years. These years have seen the complete disintegration of the once powerful and militant United Mine Workers whose collapse is largely due to its failure to organize the Southern coal fields; and the sudden rise and disappearance of radical independent unions like Keeney's West Virginia Miners Union, and the Communists' National Miners Union. Even if these unions had lived, the chaos caused by cutthroat competition among the operators would have prevented them from functioning. What is needed is stabilization and reemployment. While the author thinks the former is possible he points out that the latter can hardly take place on any considerable scale. There are already too many miners and too many mines not only in the Appalachian section but in the rest of the coal industry. Moreover, modern chemistry has already increased the power capacity of a single lump of coal, thereby reducing the amount necessary for industrial consumption. Industrial consumption has been further reduced by the use of oil and hydroelectricity. On the other hand, the productivity of the miner has been increased by the introduction of cutting and loading machines.

Like most of the diagnoses of present-day industrial problems, Mr. Ross's analysis leads him to the conclusion that the coal problem is the result of our inability or refusal to govern the machine. We are told that the problem of coal, while in many respects unique, gives us in microcosm the ills of machine civilization. As a way out he suggests the adoption of the British plan of placing a one-cent tax on every ton of coal mined, the proceeds to be used for discovering newer uses for coal, for settling surplus miners on small homesteads, and for unemployment insurance. This British scheme, it should be remembered, is still in the experimental stage. Whatever the future success of the plan, it will hardly bring about fundamental changes. What is needed in the coal industry is planned utilization along with that of our other natural resources. This is impossible without public ownership, a subject which Mr. Ross does not touch upon. He is much too occupied with the effects of modern technology upon our social habits to see that after all the cause of our discomfort is not the machine as such but the ends it serves under private ownership.

ABRAM L. HARRIS

Henry George Today

The Philosophy of Henry George. By George R. Geiger. The Macmillan Company. $3.

THE persistent neglect of Henry George by American economists, publicists, and legislators has been due to a number of causes. The era of large scale operations in industry and finance was opening at the time when he was trying to center attention upon a proposal respecting the older problem of land. The different philosophy of socialism possessed a European breeding-ground from which a flood of immigrants transferred germs to America. As the West filled up, the particular transition stage from mere appropriation to a more complicated economy, which had excited George's analysis, tended to disappear, so that the object lesson was not so easily grasped. It is easy to understand a little of socialism, and so to become a convert to it; but one must grasp the whole theory of the single tax, or be slow to perceive any of it. The American academic economists of the thirty years following George's advent were mightily conscious of their university training, and to them the author of "Progress and Poverty" was a Philistine.

All of this has been true despite the fact that George's ideas were naturally fitted, if any could be, for reception by the American mind. He was rigidly orthodox in his premises and deductions. He was the apotheosis of laissez faire; Jefferson was his spiritual father, and he promised the slightest chastisement of the business enterprise. He was a native product who achieved worldwide fame. Further, he possessed the evangelical zeal which we so readily admire.

Our refusal of recognition has argued our own shortcomings. Our usual textbooks on economics, in shutting George out, have stultified themselves. There are many reasons for believing, however, that sentiment is changing, and that the specific proposal of Henry George to absorb economic rent in taxes is apt to be adopted widely in greater or less degree.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This will justify the loyal band of single-tax disciples in the eyes of the public, but not in their own eyes, for their theoretical system will not be embraced in its purity and exclusiveness.

The appearance of Dr. Geiger's appraisal is in itself evidence of the depth to which George's advocacy penetrated without our knowing it. A generation removed from George's death, the book is fuller, more scholarly, and sets its subject in truer perspective than any other. Encomium, unavoidable in those over whom Henry George's spell was personally cast, has been avoided, and the admiration for a man of genius, which has properly taken its place, is advanced with a simplicity which wins approval. Dr. Geiger has reviewed the wide literature of George's movement, and has selected and condensed from it with a skill which illumines the important phases of his subject's thought and work. The relation between the single tax and socialism, which has remained too obscure to the average reader, is admirably clarified. The influence of Henry George is estimated with good judgment, and the account comes down almost to the day of going to press. It was not an easy thing to present a critical account of a thinker who was his own severe critic and who knew so well how to express his considered ideas.

The author, however, has done more than substantiate the claims of Henry George to be considered among the first order of minds in economic inquiry. He has everywhere emphasized the ethical hopes that drove George onward. He has made a convincing plea for the return of ethical motives to economic scrutiny, for the reentry of idealism into economic method. This is a needed correction, which entitles Dr. Geiger to thanks not only as a skilful scholar, but as a constructive economist.

BROADUS MITCHELL

Shorter Notices

Maxim Gorky, Writer and Revolutionist. By Moissaye J. Olgin. International Publishers. 75 cents.

Coming from Mr. Olgin, this book is particularly disappointing. On the occasion of the fortieth anniversary of Gorki's literary birth a serious study of Gorki, critical and biographical, was very much in order, and Olgin is ideally qualified to write it. Instead he has chosen to give us this brochure, which is about as critical as an after-dinner panegyric. Gorki is stuffed willy-nilly into a ready-made suit of proletarian art clothes, though the measurements would fit Jack London or O. Henry quite as well. Mr. Olgin glosses over the religious recidivism of Gorki's "Confession" period, and fails to discuss his more serious political defection as editor of *Novaya Zhizn* in 1917.

Fifty Poets: An American Auto-Anthology. By William Rose Benét. Duffield and Green. $2.50.

This is an anthology with a difference. Fifty poets were chosen by Mr. Benét and asked to contribute to the volume their favorite short poem. They were requested, moreover, to explain the mental background of the poem's composition. The poets included in the list of fifty ranged all the way from Edwin Markham to Marianne Moore. Obviously Mr. Benét's purpose was to discover what the poets themselves understood of the creative process. The reader finishes the "Auto-Anthology," however, convinced that poets are rather inarticulate about the working of their own minds. Personal moods, it seems, have brought most of these "favorite poems" into being, and that is as we should expect it to be. Just how these personal moods came to have a larger or more universal significance the poet seldom understands. Léonie Adams alone attempts an intellectual testing of her own poetic message, and sents Mr. Benét a poem "which seems to me to bear a special relation to most of the other verses in [my] collection." Many of these poets in choosing a certain poem recall a scene, an action, a feeling which forced them to write the lines. Several of the poets chose poems because the words came to them almost as if dictated, poems over which they did not need to work. Such poems always seem to the poet the most surely perfect. Usually they are. Since the sources of any poem and its final artistic statement may have very little in common, Benét's "Auto-Anthology" is in truth more interesting for the light it throws on poets in character than for any illumination of the creative process.

Hitlers Kampf um die Macht. Der Nationalsozialismus und die Ereignisse des Jahres 1932. Von Edgar von Schmidt-Pauli. Berlin: Verlag von Georg Stilke. 1.80 and 3.80 marks.

Dr. Schmidt-Pauli is the Great Pacificator of contemporary Germany. He is hopeful that Hitler's remarkable abilities, his personal appeal, and his incredible energy, confidence, and stubbornness will prove equal to the task of saving Germany, but he is not blind to the dangerous sides of that sour and infallible patriot. He has a good word for Hindenburg, the Crown Prince, von Schleicher, Major von Stephani of the Stahlhelm, even for Brüning, and a great many good words for that much maligned old campaigner Von Papen, whom he describes as one of a type of Rhineland aristocrats who are given to "allerlei Schwänken" but whose Catholic convictions constitute "a fundamentally serious guide to life." All these leaders have had honorable and useful parts in the crusade against "Kulturbolschewismus," and most of them have aided loyally in the sinking of differences from which, and from which only, can come Germany's salvation. The book is admirably written, with perfect simplicity and an air of judicial calmness; and although its tone of kindliness for everybody but "die roten Mörder" will cause exasperation in various quarters, the book is indispensable for a clear understanding of exactly what happened in ministerial circles from Brüning to Hitler.

Whatever You Reap. By Anne Persov. Detroit: Schuman's.

These poems received the Avery and Julia Hopwood Major Poetry Award of $2,500 at the University of Michigan. The young poet is introduced by Max Eastman, who has high praise for these verses and allows himself amusing comment on the state of poetry in the modern world. Anne Persov, whose first volume this is, has facility in the handling of many verse forms, some originality not yet entirely cleared of literary echoes in language, and now and then a rather striking individuality of poetic conception. She is young and her subjects are those of many another young woman poet—love, the beauty of certain aspects of nature, observations concerning human life. But she treats these subjects with a difference. There is a vein of ironical wit underlying the romantic mood which many of the poems portray, and this irony allows the young poet an artistic detachment from her theme. In other words, Anne Persov is likely to develop into a good poet not because of her almost too great ease in writing verse, not because of what Max Eastman calls "the load of emotion" which her lines carry, but because she has a sharp mind and the ability humorously to criticize life at the very time that she feels it passionately. In this first book the best poems present an upside-

THE NATION RADIO HOUR
Every Wednesday evening at 8:15
Over Station WEVD—1300 Kc.
The Editors of *The Nation* discuss men and affairs from an informed and liberal point of view.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

down world, where dragons are vegetarians, where human attitudes and problems change with the perspective. In these poems the poet's mind is very active, she disciplines her own verses, her rhythms, and her images. In the more usual romantic love sonnets and lyrics she is much less original.

Always a Grand Duke. By the Grand Duke Alexander of Russia. Farrar and Rinehart. $3.

At fifty-three it is not always so easy to live down the fact that one has been a Grand Duke of Russia. The Grand Duke Alexander, or if you prefer, Mr. Alexander Romanov, succeeded fairly well. Precipitated from power by the Soviets, he landed in the mad post-war Paris just as the Versailles treaty was being signed. Having escaped Russia with his life, he was also lucky enough to escape the various forms of melancholy and "Bolshevikophobia" that overwhelmed most of his living relatives and loyal compatriots in Paris. The past was indeed dead, and he realized it almost immediately. In the future he meant to live as an individual with as little strain as possible on dead titles and old friends. This volume of his memoirs tells of his experiences up to the time of his death in the early part of 1933. It is an exciting story and the grand duke knew how to tell it. Between circumventing the fantastic prides and prejudices of his royal relations and the equally difficult task of not being exploited—more than necessary—as a freak and social lion, he had a busy and interesting time. Readers of "Always a Grand Duke" will see that he was not the person to miss the humorous sidelights.

Frescoes for Mr. Rockefeller's City. By Archibald MacLeish. The John Day Pamphlets. 25 cents.

So far as the poetry in this pamphlet is concerned, it is Archibald MacLeish at his worst. The verses sound like collections of lines taken from a residue left when Mr. MacLeish completed "Conquistador." Each poem is a panel picture, as the poet would paint it, for Mr. Rockefeller's city—therefore the title. And how would Mr. MacLeish decorate these walls? Obviously, he would, in the first panel, paint the sprawling female America, nude. The second panel would picture Wild West history. Here, in particular, we find rinsings of the poet's original inspiration for "Conquistador." The third panel depicts immigration, the fourth shows the intelligent artist washing his hands of America and its problems, the fifth is a portrait of the empire builders, the sixth, a study of revolutionists. In all this political versifying, MacLeish can not be called a fascist. He may, however, be classified as a traditionalist, as one who holds dear the history and past glory of his country, now betrayed. His attitude is patrician and paternal: though he pats the heads of the hard-working slaves and hunkies who built the Union Pacific and died in the process, though he sneers at Harriman, Morgan, and Mellon who betrayed America by exploiting her for gain, he expresses an equally violent contempt for communism, a dislike for the foreigners who, knowing nothing of our tradition and of our glorious past, "Lenin-millennium" us in their bad English.

FILM □ FILM

SOVIETS DARING ACHIEVEMENT! DYNAMIC STORY OF THE NORTH!
AMERICAN PREMIERE OF NEW SOVIET TALKIE
CONQUERORS of the NIGHT
THRILLING AND ADVENTUROUS VOYAGE OF THE ICE-BREAKER "MALYGIN" TO THE ARCTIC (ENGLISH TITLES)
ACME THEATRE 14th St. and UNION SQ. | Midnight Show Every Saturday *Rendezvous of the Intelligentsia*

William Troy's regular comment on motion pictures will appear at intervals of two weeks during August and September. At the end of that time, Mr. Troy will resume his weekly column.

□ RESORTS □

SEA GATE—Accommodations available for several guests in quiet, refined boarding home. Home cooking, special dietetic attention to children. Private boat runs to Battery daily. Moderate rates. Mrs. Blum, 4120 Manhattan Ave. ESplanade 2-9612.

For complete relaxation, beautiful country, pleasant companionship, wholesome food. Tennis.
THE HIL-BERT HOUSE
Lake Mahopac New York
Hill Friedberg, Prop. Tel. Mahopac 953

PINE HILL FARM HOUSE
Pleasant Valley, N. Y. Dutchess Co.
An ideal place for rest. Beautiful surroundings. Wholesome food. Modern conveniences. Tennis, bathing, fishing, rowing. Jewish. Rate $16 wkly.

LOVELY old stone farmhouse, 150 acres. Tennis, riding, swimming. Excellent food. Congenial atmosphere. $14 week; $5 weekend. Tel. New Milford 1-803 or write E. Adams, New Milford, Ct.

SPRING LAKE HOTEL
Youngsville, Sullivan Co., N. Y.
All modern improvements. Dietary Laws. Bathing, fishing, tennis, hand ball. Imposing Casino.
City Information: ATwater 9-8854 or 9350

BROOKWOOD LABOR COLLEGE (Katonah, N. Y.) is now open to summer guests. An interesting place to spend your summer vacation, within commuting distance of New York City. Tennis, swimming, hiking, unique labor library, good food. Rates $14.50 to $18.50 weekly; special season and week-end rates. Write for folder.

CHESTERS' ZUNBARG
A delightful hide-away in the mountains inviting people of better taste. Wholesome food, delightful companionship, all outdoor sports. Reduced rates.
Woodbourne, N. Y. Tel. Fallsburg 186-J

□ RESTAURANT □

71 IRVING PLACE, INC.
RESTAURANT
BREAKFAST 10c and up
LUNCH 25c and up
DINNER 45c and up
MRS. NORMAN THOMAS
Owner
NRA member

□ PERSONAL □

WILL buy old barn; bargain for studio. Trees brook, seclusion. Drinking water. Commute, Newark. State Price. Box 205 c/o *The Nation.*

FIRST EDITIONS FOR SALE: Longfellow's Tales of A Wayside Inn; Wharton's Ethan Frome. Write making offer. Box 207, c/o *The Nation.*

AMATEUR ASTRONOMER would like to buy telescope. State lens diameter, make and price. Box 208, c/o *The Nation.*

POSITIONS WANTED

YOUNG MAN, 23, knowledge of French and Spanish, accounting, 2 years college, desires interesting work. Box 206, c/o *The Nation.*

□ OPEN SHELF □

Henry George's Books
Sold here without profit. Ask for price list and appreciations by famous men—sent *free.*
None may call himself educated in social thought (says Dr. John Dewey) who lacks acquaintance with the great writings of Henry George.
ROBERT SCHALKENBACH FOUNDATION
21 Park Place, New York City
SUPPORTED BY ENDOWMENTS

CURIOUS BOOKS
Send for Catalogue of Privately Printed Unexpurgated Items Exotically Illustrated Limited Editions
THE FALSTAFF PRESS
Dept. N, 230 Fifth Avenue, New York

□ LANGUAGES □

RUSSIAN taught by university man, instructor in Russian at the Berlitz School. *Private lessons or classes.* VICTOR PHONOGRAPH RECORDS USED. Michael Jerlitzyn, 2018 Fifth Ave. HArlem 7-8446.

Learn languages at home by World's Easiest, Quickest Method. Free Demonstration. Linguaphone Institute, R.C.A. Bldg., Rockefeller Center.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED